

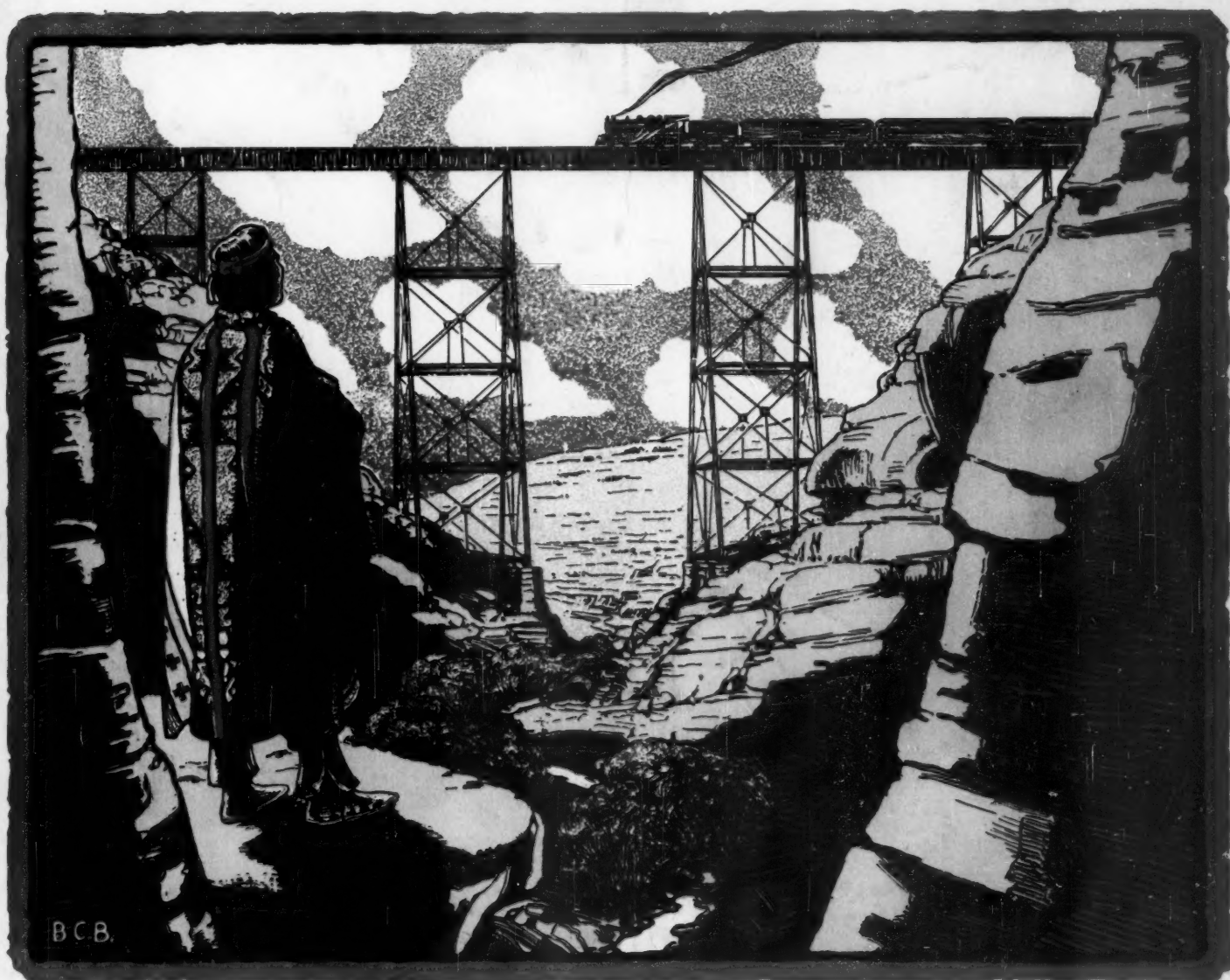
The Nation's Business



Published by the CHAMBER of COMMERCE
RIGGS BUILDING



of THE UNITED STATES of AMERICA
WASHINGTON, D. C.

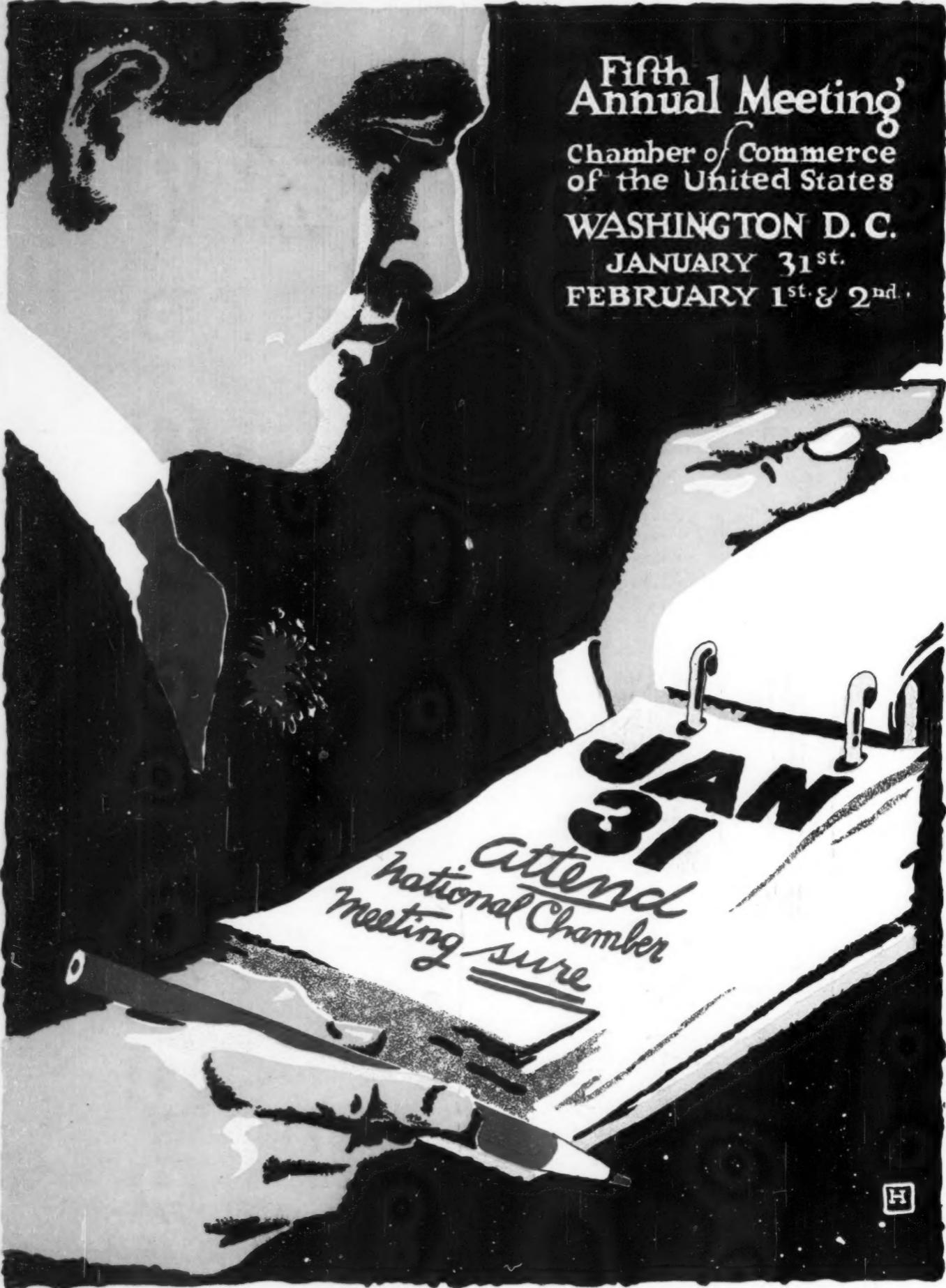


B.C.B.

DRAWN BY B. C. BUDD

The Romance of Railroading

By President Ripley



**Fifth
Annual Meeting'**

Chamber of Commerce
of the United States

WASHINGTON D. C.

JANUARY 31st.

FEBRUARY 1st & 2nd.

**JAN
31**

*Attend
National Chamber
Meeting sure*

H



Skylines of American Cities—Washington.

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TRUTH IN ADVERTISING

by STRICKLAND
GILLILAN

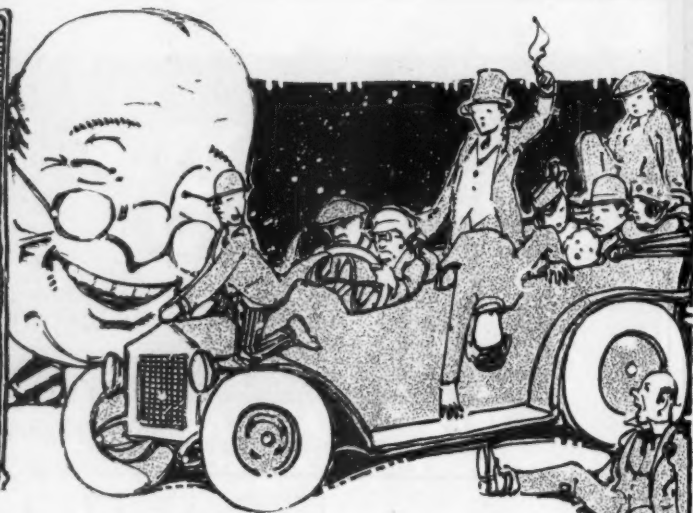


*The slogan of "Truth"
Is still in its youth,
As reading the ads. has most
likely convinced you.
You possibly think
Old Truth's on the blink—*

And e'en if you think it, 'tis nothing ag'inst you.

I FLIP the leaves of magazines and look the pictures o'er
And of exaggerating ads. I keep a faithful score.
I note the cheaper motor-cars filled up with hosts
of folk—
Just anyone that's motorwise can't help but catch
the joke.
To put so many people in the car itself would
make
The thing flow o'er at every pore—that is one
awful fake!
The answer? Why, some maker wished to fib a
little bit,
And they who had the space to sell were roundly
paid for it.

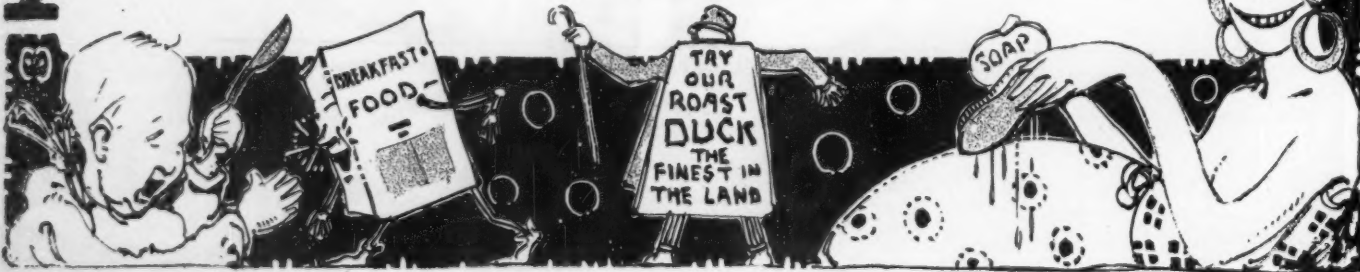
NOW who, in life, has ever seen a woman smile
and smirk
At mopping up, or dusting rugs, or any other
work?
Who ever saw her kneading bread or washing
clothes, the while
She advertised some dentifrice with sweet and
happy smile?
And yet they want us to believe that whc. Blank's
dope she uses
She simply chortles at her jobs—such stuff our
faith abuses!
Get me again: The maker wants to fib a little bit,
And ad. solicitors declare: "Let be! He pays
for it!"



NO children weep for breakfast food of any
brand or breed.
The little rascals bawl for sweets, but loathe all
other feed.
No female filled with self-respect would pose in
corsets clad;
While family groups in union suits would make
a sunbeam sad.
One cannot get piano fortes by solving brainless
puzzles—
Some shrieking advertisers ought to be supplied
with muzzles.
These are the facts: Some big concern would
spooof the world a bit,
And tills anaemic sigh: "Spooof on, if you will
pay for it!"

OUR decent lads and decent girls, as every-
body knows,
Don't sit around with silly grins comparing near-
silk hose.
Who ever saw a woman laugh who swung a
varnish brush—
It makes the worldly wise exclaim: "O pish,
and maybe tush!"
There can't be fourteen tires best of all such
circlets made;
Day-laborers don't scowl at clerks for what
those clerks are paid!
This can't be dodged: Some careless folks would
stretch the truth a bit,
And money-hungry counting-rooms say: "Stretch
—but pay for it!"

*This sloganette "Truth"
Is still in its youth,
As scanning the ads. has most likely convinced you.
You possibly think
Old Truth's on the blink,
And if you should think it, 'tis nothing ag'inst you.*



The Nation's Business

VOLUME 4, NUMBER 11

A Magazine for



Business Men

WASHINGTON, NOV., 1916

THE ROMANCE OF RAILROADING

Edward Payson Ripley
Has Found It—and Tells
How and Where

THE traffic manager of the C. B. & Q. had an obstinate debate with the traffic manager of the Santa Fe. "I'll arbitrate the case," wearily said the Santa Fe man, seeking a way out of the dispute.

"Agreed," replied the officer of the C. B. & Q. "I am willing to leave the whole matter with Mr. Ripley, your own president."

"Go to thunder," the representative of the Santa Fe shot back—and the debate was on again.

Those who intimately know Edward Payson Ripley, the remarkable reconstructor of one of the longest and richest railroads in the world, say that he would have made a brilliant and famous judge, or a soldier of the type of General Grant.

A large man, structurally and intellectually—a massive man in head and features; tall, broad, angular, flat at the abdomen as an athlete; huge of chin, nose and mouth and gray of eyes; symmetrical and leonine, he is, indeed, such a man as one would picture on a tremendous black horse, armor-clad and carrying a heavy sword and a long lance, at once a terror to his foes and a bulwark to his friends.

"The old man," he is called in respect and admiration up and down his 10,000 miles of tracks. A mighty getter of freight, tireless, terse and sagacious, he contradicts the stern aspect of his countenance and manner by being kind, charitable and just.

Mr. Ripley's father was a small merchant in Massachusetts, and although his income never exceeded \$600 a year, he kept his son at school until he was seventeen years old.

Apprenticed to a wholesale mercantile establishment in Boston, Edward P. Ripley was paid a few cents less than a dollar a week. As shipping clerk, later, his wages were \$400 a year. By and by he was offered a better place in the New England office of the Pennsylvania Railroad.

At twenty-five, he was promoted again, this time to become general eastern agent of the

Chicago, Burlington and Quincy Railroad. Next, he became general freight agent, then traffic manager and finally general manager of the same corporation. He was third vice-president of the Chicago, Milwaukee and St. Paul Railway from 1891 to 1896. Since the latter year he has been president of the Atchison, Topeka and Santa Fe, which, under his hand, emerged from bankruptcy to grow wonderfully in mileage and wealth.

"Neither influence nor pull, as it is called," he said to the writer, while looking back over his strongly masculine life, "was ever employed in my behalf. I had no personal plans but took things as they came and worked as hard as I could."

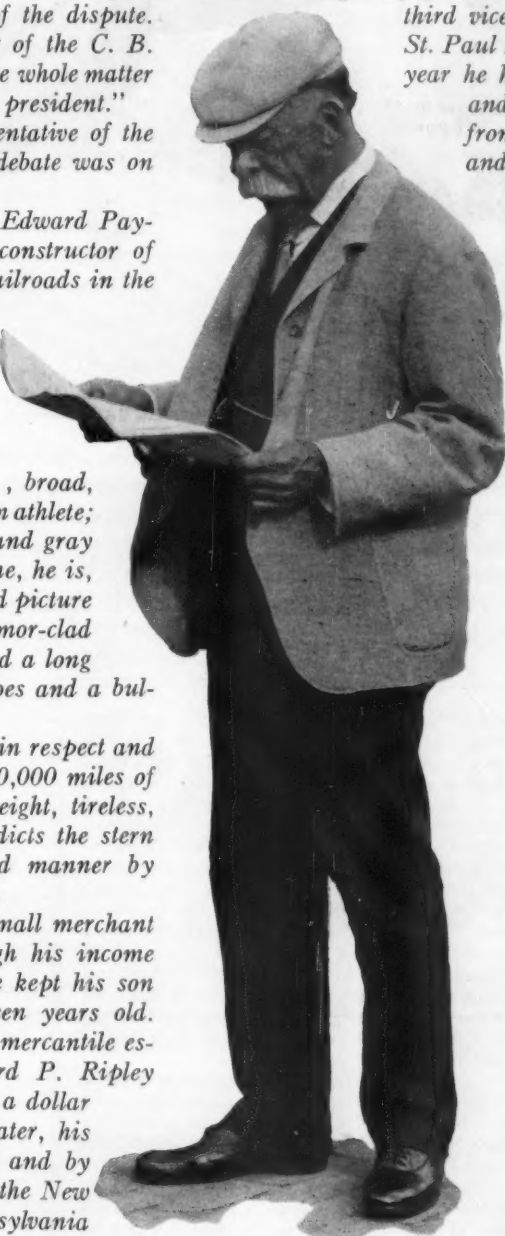
"Do you hunt or fish?" he was asked.

"No; I play golf."

He is playing yet and managing yet and battling yet, even if he is seventy-one years old.

THE romance of railroading?" said Mr. Ripley, repeating the words of his questioner. "I might say"—this quizzically—"that a good deal of romance about railroad business has been printed by my newspaper friends. But I am not finding fault with them. The business of railroading is full of complications, and difficult to understand. That accounts for the activities of certain politicians in getting after the railroads. Following the lines of least resistance they pick out the railroads for a campaign issue. The newspapers print what the politicians say as news, and in that manner give publicity to a great deal of erroneous information. But as a rule the papers are willing to print our side, too, so in the course of time the public probably will be able to separate the wheat from the chaff, and determine railroad questions on their merits, for, after all, the solution of these questions rests with the public.

"But getting back to the romance of railroading. Every job has romance in it. There's no doubt about that.



He says that he gets most of the romance of railroading out of the newspapers—but he smiles when he says it, for he's a friend of the reporters. It follows that when the strike situation brought him to Washington he should greet the newspaper men who met him at the train with "Hello, boys, ain't this a — of a mess?"

However, a large per cent of toilers are unable to find it, which accounts for the discontented element in society—for the loafer—for the human failure. Public schools and colleges should devote more time to teaching students how to find the romance in the things they are called upon to do, for without it, their work becomes hopeless, endless drudgery, no matter whether they saw wood, wash dishes, hold public office, or run a railroad.

"There is plenty of romance in railroading. I have found it all along the way. Interest in the work at hand is what I mean—planning, working to the plan, and watching for results expected. Opening an empire to settlement, as the Santa Fe has done in the Southwest; aiding in its development, and unifying the interests of its several communities for the general prosperity, are some of the big things railroad men have a part in—things that thrill them at every step. No form of entertainment is more entrancing. It is living the job, and that, in the end, spells success.

"Where do I as a railroad man, find my greatest inspiration? That is a difficult question. When one's eyes are open, one finds inspiration everywhere. My inspiration comes from daily contact with those with whom I am associated—heads of departments, big business men, station agents, farmers, merchants, shopmen—everybody.

"We hear it said that there has been a revolution in the railroad business in the last few years. What is the most important change that has come to your notice?" Mr. Ripley was asked.

"Styles in railroading have changed almost as radically as those of the gowns the women wear." Mr. Ripley replied. "Railroad officials now have many important duties to perform in addition to those their titles would indicate. They must be diplomats, for instance, in order to negotiate important transactions with federal, state and municipal authorities; must

be able to appear in public, before congressional and legislative committees, and commercial clubs, to make speeches on all manner of subjects, if necessary; must know the needs of the country in which they operate, and be wise enough to act at all times for the advancement of public interest, as well as for the company's

good. This is not surprising when one considers that the modern railroad no longer employs professional lobbyists to look after its public matters. Our railroad, for example, operates in thirteen states, which means that we are accountable to thirteen state legislatures, thirteen state commissions, Congress and the Interstate Commerce Commission, twenty-eight regulating bodies in all, to say nothing of the innumerable city governments that take a whack at us



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Here's romance in railroad engineering in this mono-rail electric line which, suspended in mid-air winds over the Wupper river, connecting Elberfeld and Barmen, Germany.

every little while. A revolution in railroading has been made necessary to meet this up-to-date situation. That's one of the romances of the business."

"You emphasize, then, the so-called human interest phase of railway management," the writer observed in the hope that Mr. Ripley would revert to his philosophic vein of thought.

"Without what you call human interest, there would be no romance," he said. "There is little difference between a well managed railroad and a well managed grocery store, except in the character and volume of the business transacted. The personal element is the greatest force. The grocer holds his customers by the cohesive power of good treatment. The same thing is true of the railroad. I am sure that the officials of our company are closer to the people they serve than ever before, and the company is more prosperous than ever before. The improved relationship between them is one of the principal causes.

"Strange as it may seem, most of our trouble is stirred up by those who spend little money for freight shipments and less for traveling. The company gets

American railroads represent interests capitalized at more than \$16,000,000,000, the largest business of any kind in the world.

But what is the trouble with this business, the mainstay of American life and commerce? Last year there was the smallest amount of railroad construction in the history of the United States since the Civil War. In 1915 there was only \$12,000,000 put into the business. Forty-two thousand miles of railroads are in the hands of receivers. We ought to be building two hundred thousand freight cars a year, but last year we only built seventy-four thousand. A railroad executive told me the other day that if he could get just one more freight car he could earn \$600 a month with it, but lacking the car, he is losing that much freight money.

This is a serious situation. You recently have seen legislative increases of wages, you have seen receiverships. You have heard a lot about lax methods of financing railroads, but they do not amount to 10 per cent of the total, and I would like to know if any set of politicians, city, state or national, like to be judged as a whole by the 10 per cent of their worst performances.—FRANK A. VANDERLIP, in an address before the Railway Financial Officers, in which he answered the question, "What is the matter with the railroads?" by placing the blame on the selfishness of the public, the stockholder, the wage-earner and the politician.

along fairly well with its patrons, and also with its employees. In the recent controversy with the train service brotherhoods about wages, our own men, generally, were not in sympathy with the policy of the brotherhood leaders. If there had been a strike, most of our men would have stayed with their jobs. There is where the personal element comes in again. The official and the workman on our railroad are in tune, and the main reason for it is, the workman knows that through the romance of the business, if your please, he has opportunity to go from the bottom to the top. I take some pride in pointing to the fact that the Santa Fe railroad has taken more men from the bottom to the top than any other transportation institution of its age in America."

"In the romance of the job, is it all work?"

"By no means. One must play, as well as work, to make life balance; but work is the main thing. Nothing else brings happiness and contentment. It should be the ambition of every man to work steadily till the end of his days, and he will do it, if he finds the romance of his job. I have no patience with the man who retires from business, for that means the limit of his usefulness upon the earth. It is all a matter of acquiring and holding an interest in the thing one has to do. I am seventy-one years of age, and take a deeper interest in my work

than at any other period of my career. I may change my job sometime, but shall never retire from business. I agree with the late Mr. Justice Brewer of the United States Supreme Court that the finest way to die is in the harness."

"Evidently you don't take much stock in the Osler theory."

"There is nothing to it. Folks live longer than they did a generation ago. The span of usefulness is greater than it was. It is due to the better care men take of themselves physically. Men now live close to nature. They exercise in the fresh air and keep the machinery of the body from becoming rusty and clogged. They keep fit."

Speaking of the present business situation and the outlook, Mr. Ripley said:

"The foreign war has made an increased demand for all products, and put an advanced price on everything, excepting railroad rates, resulting in what might be termed a boom in most industries. Labor generally is employed at good wages, accounting in a large measure for the lively retail trade. The Southwest is in an era of municipal improvement which is unsurpassed. Nearly every city has something big in the way of public work. The boom doubtless will continue till peace in Europe is



"Opening an empire to settlement, aiding in its development—things that thrill at every step," says Mr. Ripley. Those passengers in the observation car of a Santa Fe train, swinging through Cajon Pass, California, get an idea of the thrill that came to Mr. Ripley's pioneers as they set up transit and level over the long stretches of the great American desert.

restored, and then the situation will again become normal, with a readjustment necessary. Meanwhile, a great number of people will have made money, and, if they have saved it, be in position to get along when the time comes to slow down.

"When business generally returns to normal after the war, the reduction of earnings will be more marked in the railway industry than in any other, for the reason that every business enterprise in the country, except the railroads, has been permitted to increase the price of its product to meet the constantly increasing cost of operation. The price of transportation—the only thing the railways have for sale—is about where it was ten years ago, while the price of everything they buy, including labor, has steadily advanced. But this statement is trite, for every shipper and traveler, after a moment's thought, will be ready to admit that transportation is the only item in his expense account which has not been raised from 25 to 150 per cent in the last decade."

"You mentioned the various regulating bodies to which railways are accountable. Are their activities regarded as a burden?"

"Most assuredly; but please do not consider this as an attack on regulation. Nobody objects to the principle of regulation; it is persecution to which we object. The federal and state governments have constructed a ceiling above which the railways cannot rise during prosperous times, but have neglected to construct a bottom through which they cannot fall when the lean years come. Governmental authorities have taken charge of the management of our property and fixed our rates. When we make a conclusive showing that the rules imposed upon us result in a disastrous reduction in net earnings, authorities usually shrug their shoulders, and let it go at that. Of course, this condition cannot last always. When a candle burns at both ends—well, the time will come when there won't be any candle."

"In your opinion, is the country drifting toward government ownership of railroads?"

"We are drifting toward a radical change of some kind. The present system of railway management is going to break up. Whether we will have the misfortune of government ownership I am unable to say; but this is certain—the transportation companies will have to be allowed to earn a sufficient sum of real money when the

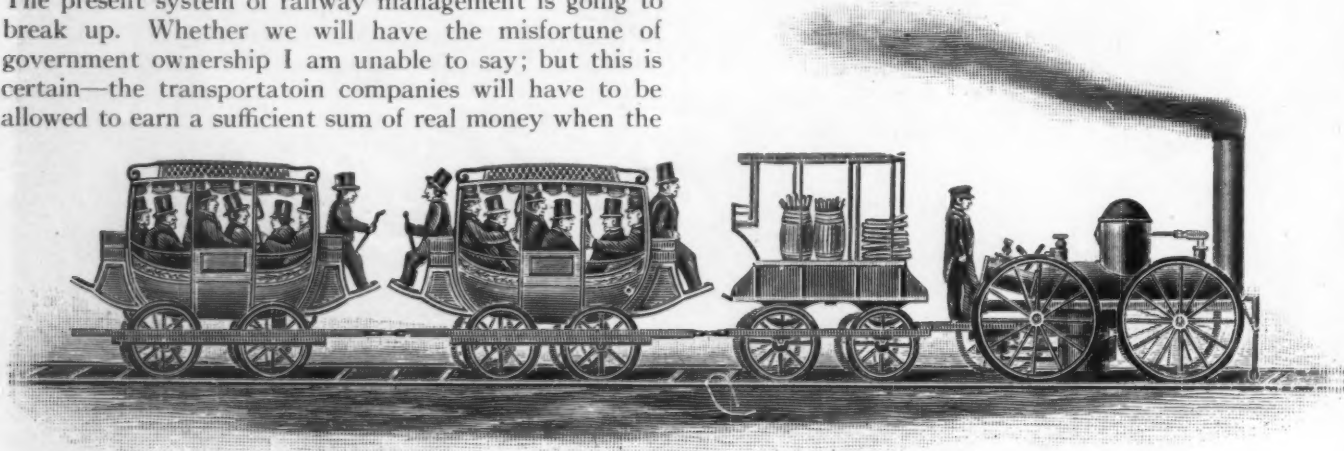
war is over to pay their operating expenses, maintain the efficiency of their service to the public and give a fair return to those who invest in railway securities, or capital will withdraw from this character of investment. The prospect for such a privilege is not bright. The failure of the government to manage the postal department successfully causes thinking citizens to shudder when they contemplate government ownership of railroads, with their control, through the politicians, of hundreds of thousands of employees in transportation service."

Mr. Ripley would favor regulation of railroads by one Federal commission rather than by a multiplicity of commissions. "The workman, for instance," says he, "with a number of bosses, will not perform the best service, because of confusion coming from conflicting orders. The same may be said of a railroad. Why, there are things our railway company is required to do under penalty in some states which are prohibited under penalty in others. Regulation by one commission would be more satisfactory to the railroads than the present system, and the public would have better service."

"Some radical newspapers have said that you are defying the eight-hour pay day law. Is that correct?"

"That is a bit of the romance I first mentioned. It is not defiance to ask the courts to pass upon the validity of a statute. I regard it as my duty to the owners of the Santa Fe and to the public to seek the judgment of the United States supreme court on the constitutionality of the eight-hour pay day act. We believe the law is vicious and worthless, and if the Supreme court holds to the same view, we will ignore it. If the Supreme court says the law is good, we will obey it. There will be no defiance of law, but we shall try hard to get the case to the courts in order that its constitutionality may be determined."

"There perhaps would be less romance in obeying the eight-hour pay day law than in any other feature of railroading that comes to my mind at this time."



The great-granddaddy of Mr. Ripley's Santa Fe de Luxe. (From an old wood-cut)

CONCERNING CORN

THE BASIS OF THE BIGGEST BUSINESS



DECORATIONS BY H. DEVITT WELSH

IF the corn fields of the nation could be brought together, the total of their acres would equal the combined surface measurements of Ohio, Indiana, Illinois and West Virginia.

Those four States, considered as a whole, extend east and west for about 800 miles. The shortest, Ohio, is 205 miles long. The average length of all is 270 miles. Such, then, is the American corn field.

It would entirely cover England, Ireland, Scotland, Wales, Switzerland and Denmark and there would be margin enough left around the edges to blanket the home states of Delaware and Rhode Island. In the history of mankind there never has been a field of any kind so large, so rich or so useful.

Gold, that intoxicant of human hopes, is a small item in America when placed in the same column with corn. For every dollar in gold taken out of the earth in 1915, seventeen dollars' worth of corn was husked by the American farmer.

The corn crop last year was about forty-eight times more valuable in money than was the silver mined throughout the country during the same length of time.

Cotton is king no more, if it ever was the king of agricultural products. The corn crop in 1915 was nearly three times greater, measured in money, than the cotton crop and twice larger, almost, reckoned in dollars, than the wheat crop.

"Royal corn," exclaimed Richard James Oglesby, of Illinois, the carpenter, lawyer, senator, soldier and governor, "within whose yellow heart there is health and strength for all the world!"

The corn of 1916 is now out of danger. Frost cannot injure it. The harvest has begun in many regions. Shocks, browned and crimped by the sun, their yellow ears sometimes showing, will soon be seen from Maine to Oregon. By the middle of November, long trains filled with new corn will be on their way to market. If all the corn were sold and shipped by the farmers, it would load 2,125,000 cars, forty tons to the car. More than 53,000 locomotives would be required to haul it.

THE farmer who plants forty acres of corn is regarded by his neighbors as a highly prosperous man. Funk Brothers, in Illinois, grow 20,000 acres (so officials of the Department of Agriculture say), but they are the Morgans and the Rockefellers of the corn-producing industry. Ten acres, perhaps, is the average to the farm, taking the country in its entirety. If that figure is accurate, then 10,000,000 farmers are now husking their crops.

In other words, corn-growing is the one general American

industry and naturally so because corn is America's contribution to the welfare of humanity. The Indian gave it to the white man and in Mexico he watered it artificially with mountain streams which he diverted into the valleys.

Corn, more than any other food, sustained the first inhabitants along the New England coast and on the shores of Chesapeake Bay and the rivers of Virginia. It gave health and temper to the men who signed the Declaration of Independence, fought the Revolutionary War and wrote the Constitution of the United States.

Cotton is sold by the grower and the money thus received goes straight to his pocket. The transaction being computable, a simple matter of bales multiplied by price, the importance of cotton as an agricultural product is never misunderstood or underestimated. The same, to a large degree, is the case with wheat and is altogether



"Cotton is king no more * * * The corn crop in 1915 was nearly three times greater."

the case nowadays with wool.

It is not so, however, with corn. The bulk of the crop from year to year is used at home or in the community where it is grown. What city or village man sees the corn that is in the bacon he eats for breakfast or the corn that is in the roast beef he has for dinner? Mutton chops are corn in one of its concentrated forms. So is the best poultry and especially is it so with turkeys. The humble sausage is the very essence of that fine cereal.

CASH receipts from corn, therefore, are hopelessly mixed in the sum total of the meat industry of the country. Corn is lacking, then, in direct challenge to the business imagination of the nation. Nor do the

people stop to think of its almost numberless minor uses. A modern chemist has said that he could profitably devote his whole life to the study of a kernel of corn. As it is, he and his colleagues, together with the inventors of special machinery, have been giving the world many new and valuable corn products. This has been notably the case since the year 1895.

Sugars and syrups have long been made of corn and so have starches, whisky and alcohol. Glue, mucilage, celluloid, and collodion, varnishes and guncotton, gelatine and smokeless powder, dyes and oxalic acid, soap and paint, artificial silk and carbon filaments for incandescent lights, and even rubber, by vulcanizing the oil, are now being manufactured from corn.

The refined oil of corn is exported to Italy and returns, it is said, branded as olive oil. Corn flour is ground as finely as wheat flour. Fifty kinds of foods are made from corn. And large regions in Iowa and Nebraska are devoted to the production of pop-corn.

A dollar's worth of shelled pop-corn, popped and sold in five-cent bags, costs the consumers, usually small boys and girls, about \$30. Many millions of cans of sweet corn are packed yearly. A monopoly of the corncob pipe business would pay big dividends on a large capitalization.

"More money is being spent by professional florists to develop the kinds of carnations that they hope the public will like than is being spent by the national government to promote the scientific side of corn-growing," Charles P. Hartley said to the writer of this article.

"I do not belittle tobacco as an agricultural or manufacturing product," he went on to say, "but it is not in the same class with wheat, hay, oats, cotton, wool or corn, and yet the national government is spending less in learning how to increase the crop of corn than private interests are spending in an effort to increase the crop of tobacco.

LAST year the corn grown in the United States had a market value of \$1,756,000,000. Corn is the biggest thing raised or manufactured in this country. I might say that it is the real foundation of our prosperity. Subtract corn from our yearly assets, even for a single season, and good times would at once turn bad. All

merchants, manufacturers and railroad shareholders would suffer, and, with them, all labor.

"We talk about corn, hear about it and read about it, but we neglect to go at the root of the matter. Men and boys, and even girls in some

places, are being taught how to plow for corn, to plant, cultivate, harvest and sell it, but when they die, their knowledge vanishes with them.

"We need to go further. The scientific principles of corn-growing should be discovered and developed and thus permanently established for the guidance and profit of all those who come after. Do you realize that less is known about the breeding of corn than about the breeding of chickens and geraniums?"

Mr. Hartley is the corn expert of the Department of

Agriculture. Born on a farm in Indiana, he graduated at the Kansas State Agricultural College twenty-four years ago. Since 1899 he has been studying corn for the national government and has written a number of books on the subject. He knows more about corn than does any other man in the world. He breeds it and then watches the creation of a new corn generation. If he were as eminent in steel or finance as he is in corn, his salary, no doubt, would be \$100,000 a year.

And where is the man, it may well be asked, who is doing more than he for the people of the United States? Bronzed by the sun, during his work in the field, he sat at his desk and quietly answered my inquiries about the greatest branch of productive industry in America. He is forty-six years old. Hard work, in the open and at his desk, has kept

his body lean and his mind alert.

OUR object," he said, "is to find out how corn growers may produce larger yields per acre of better quality and with less labor. Doubling the crop by doubling the acreage and the labor would cheapen the grower and his product.

"The average yield to-day is twenty-eight bushels. It has neither gone up nor down for a generation. New England, with its cold, thin soil, has increased its average. The same is true, generally, of all the corn regions east of the Mississippi River. Growers have become more intelligent than were their fathers and grandfathers. The average yield for the entire country has been kept down, however, by the growers west of the Mississippi River. Methods there are still wasteful. Land is planted in corn that should be planted to some other crop.

"Now, it is not our purpose to increase the supply of corn and thus bring down prices to a point that would temporarily ruin the industry and hurt all kinds of business. When corn was ten cents a bushel in the West, no class in the country was prosperous.

"Better corn, as I have said, is our



"Sustained the first inhabitants * * *"



object, along with an increased yield to the acre. If we were producing fifty-six bushels of corn, instead of twenty-eight, then the area planted could be reduced one-half and there would be no diminution in the supply.

"About 100,000,000 acres of land are planted yearly in corn. It must be plowed and cultivated and the crop must be harvested. If 50,000,000 acres can be made to produce the same quantity, the remaining 50,000,000 acres can be used for other grain and for hay, cotton, wool and live stock.

"In a word, our present method of growing the corn we require is unscientific—that is, inefficient and extravagant. But it is far easier to discover our failings than to correct them. There are hundreds of varieties and strains of corn and there are countless kinds of soil and variations in climate. Standardization of corn is impossible. Seed that will produce a profitable crop at one end of a state, may be a failure at the other end of the state.

SO our problems are local, largely, and that being the case, we must group our corn lands into counties or districts and by experiments, cross-breeding and so on, find the variety or strain of seed that will produce the best results possible.

"New land is being planted in corn every year. The increase from 1903 to 1915, for example, in New England, New York, Michigan, Wisconsin, Minnesota, the Dakotas, Montana, Idaho and Washington was 4,405,000 acres. Those are cold, northern States. The corn seasons there, as compared with Missouri, Kansas and the Southwest, are short. The first need at present, therefore, is a sufficient supply of seed adapted to what we call environment, or the aggregate of surrounding conditions.

"I look for the day when each corn community will have a corn-breeder, a sensible, interested and intelligent man, to supply it with seed best suited to its soil and climate. About 15,000,000 bushels of corn are used for seed every year. Usually, it is taken from cribs at the opening of the planting season, whereas it should be carefully selected in the field before the first hard frost of autumn and kept in dry, well-ventilated places, with an even temperature, throughout the winter.

"To find the most profitable corn for a community is a more difficult task than to construct a railroad. The choice of variety alone, and there are, perhaps, a thousand varieties and strains all together, may determine whether the harvest will be sixty or a hundred bushels to the acre.

"The haphazard manner of choosing seed that is commonly followed by our farmers costs this country \$45,000,000 a year. Competent community corn-breeders,

were the farmers to patronize them, would prevent this waste of money. Good seed brings from \$3 to \$5 a bushel. It is worth the price several times over. A bushel of seed will plant six acres. If it is of the best quality, the increase in yield may be eighteen bushels to the acre.

ON six acres, therefore, the increase may be 108 bushels. But the seed must fit the community. It must have been tested for the soil and season peculiar to its environment, in which case, as the figures show, it would be cheap at from \$20 to \$40 per bushel.

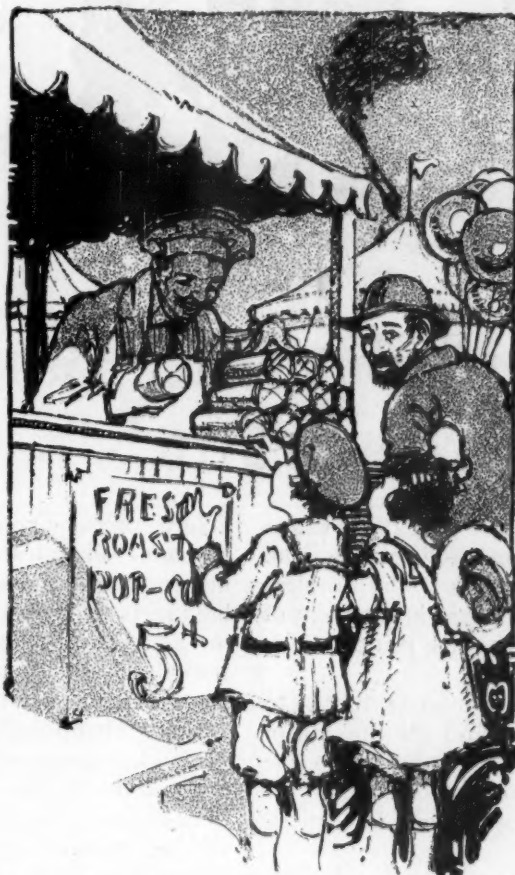
"I know a farmer who built a house for the preservation of his seed—the seed he gathered on his own land.

The building cost him \$500. The increase in his yield the next year was 3,700 bushels, or five bushels on each of the 740 acres planted. His investment of \$500 paid him 300 per cent in one season.

"Farmers who produce twenty-eight bushels of corn, which, as I have noted, is the average yield for the United States, are not prosperous. Those who harvest seventy-five bushels are prosperous. Mexican government officials and agriculturists say that poor crops of corn in their country were largely responsible for the revolutions that have brought all classes of people to the verge of ruin.

"Every man of forty remembers how the United States suffered when corn was burned in the West as fuel. Sweeping industrial and political changes took place. All things, in the view of the poverty-stricken corn-grower, were wrong. Perhaps the conditions of the past will never be repeated, so far as he is concerned, but an average of twenty-eight bushels to the acre shows that the foundations of the corn industry are not sound.

"I have said that it is possible within a few years to double the



"A dollar's worth of shelled pop-corn, popped and sold in five-cent bags, costs the consumers, usually small boys and girls, about \$30."

average production of corn per acre in this country and to accomplish it without any increase in work or expense. But it can not be done by telling the farmer familiar things that he knows already or strange things that were never known by anybody. Systematic investigation is demanded that the fundamental requirements of the crop may be learned and the knowledge so obtained applied practically.

"The great corn States are Iowa, Illinois, and Missouri. Corn land in Illinois is bringing \$200 an acre. The Iowa price is about \$10 lower. Even at those values, the average crop in the three states named is but little above the general average of the entire country.

"Corn is planted in hills, 'one kernel for the blackbird, one for the crow, one for the cutworm and three for to grow.' There are 3556 hills to the acre. Three stalks to the hill is considered a perfect stand.

"Now if each hill of three stalks were to produce but one small ear, six or seven inches long and weighing a small fraction more than nine ounces, then the 3556 hills in the acre would yield 28 bushels of corn all told, which is the general average of the whole country!"

"The proof, then, of our inefficiency is clear, and corn, let me say again, is not a minor but is by far the greatest of our agricultural industries. If a man in Pennsylvania can grow 100 bushels to the acre for twelve successive years and an average of 130 bushels on 90 acres, as he did last season, there is no reason why thousands of other farmers can not achieve the same results.

"Seed, I believe, is the first requirement in the profitable production of corn. I have been cooperat-

ing with a farmer in southern Ohio ever since 1903. He has used selected seed and has taken care of it in the right way. He plants from 600 to 800 acres of corn each year. His land has not been enriched by fertilizers or by other artificial methods. Seed alone has increased his average crop from 65 to 85 bushels to the acre.

"Farmers should know that each kernel of corn contains a tender living plant. Upon the treatment given the plant depends the size and number of the ears it will produce.

"A great crop of corn will be marketed this year and it will help move goods off the shelves of merchants and keep our factories running but I hold that it has cost the growers twice as much as it should, in labor and in the waste of land."



The New Philippine Bank and Our Trade with the Islands

By H. Parker Willis*

MUCH has been said within the past few years as to the best method of expanding American trade in the Philippine Islands. The problem of Insular trade is, however, the same as the problem of foreign trade elsewhere. It includes three principal elements:

Desire on the part of American manufacturers to supply goods acceptable to natives, and the making of transportation and other arrangements needful to the cheap and satisfactory delivery of their goods,

Development of buying power and demand for American goods among the natives; and

Establishment of profitable and mutual trade relations so that exports go from the United States by way of payment for imports from the Philippines.

For many years these elements in the problem have been neglected in the search for American-Philippine trade, but today export and import business is steadily improving. The greatest obstacle to the full development of business is found in the transportation situation, which, of course, has been bad all through the European war. In spite of this handicap, trade is generally admitted to be in a very promising and satisfactory state. The sugar industry at present is highly profitable wherever modern machinery has been installed, as it has at a number of points in the Islands. Substantial interest in the sugar business is being shown by outside investors, and there is reason to expect that in the near future there will be a considerable development of modern sugar mills equipped with proper machinery and

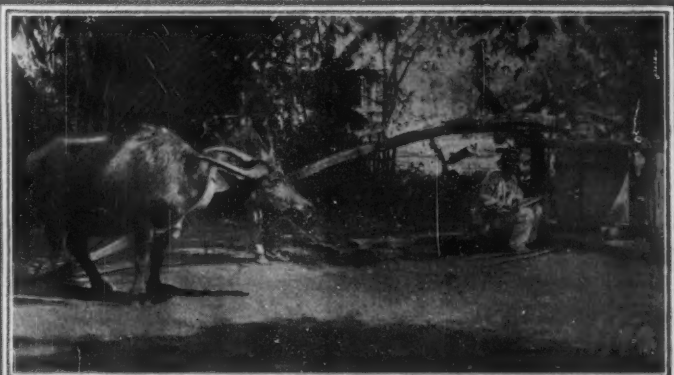
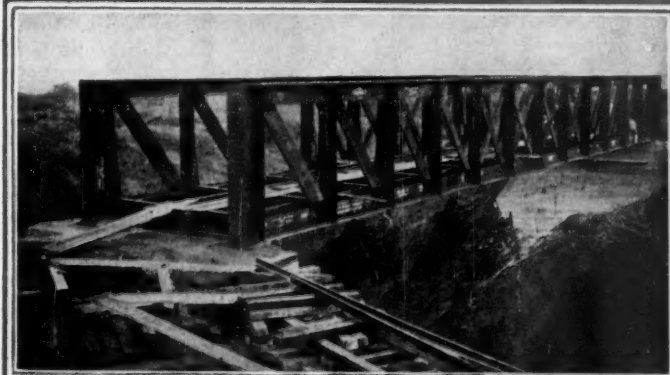
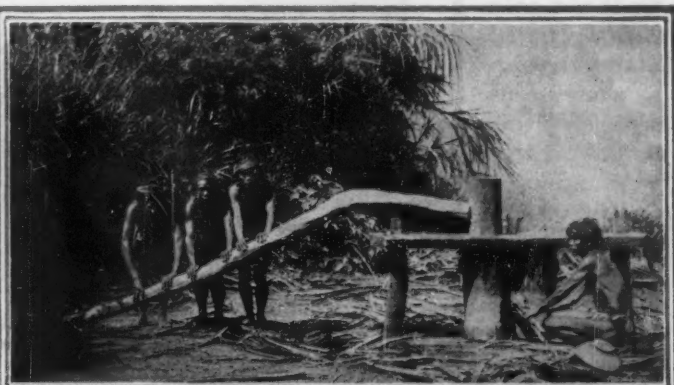
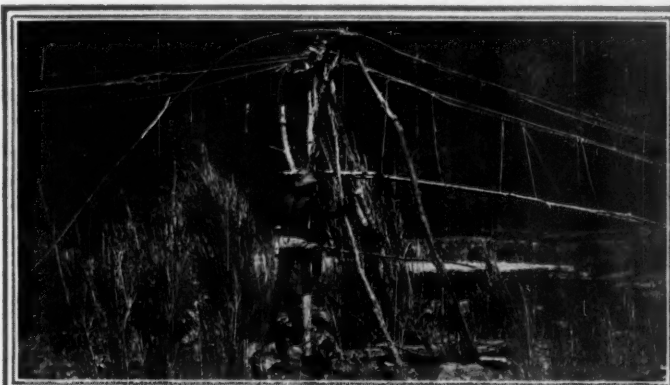
able to produce good centrifugal sugar for export. The cocoanut oil industry is also showing marked development, the business of extracting the oil on the spot having been recently introduced in place of the older method of shipping the copra abroad for extraction of the oil. The cigar business has been greatly stimulated by the high prices of tobacco in Europe and the United States. Hemp is high in price and, as usual, is in strong demand. In consequence of the good prices realized for their products the natives have become better customers than in the past, and their desire for American goods of all kinds makes the Islands a desirable market for textiles, automobiles, iron and steel products of all kinds, various forms of wearing apparel, particularly shoes, canned goods, and a great variety of manufactures, especially those which have a relatively large value in small bulk, and hence are able to bear comparatively high rates of freight.

Americans in trading with the Philippines have heretofore committed the error of supposing that a large part of their market would depend upon the growth of an American colony in the Islands. They are now finding it more profitable to adapt themselves to the native demand. Inasmuch as American exporters are at last working along the right lines, it can not be said that they are making any serious mistake in their efforts to obtain Philippine trade except that they are looking at the subject rather too narrowly, failing to realize that the same kind of energy and enterprise needed to extend their sales in the United States is needed in the Philippine Islands; while they too often neglect the fact that they must do all they can to stimulate importations from the Islands in order to enlarge the buying power of the natives, and thereby to improve trade with the United States.

* *Editor's Note:* During the spring and summer of 1916, Mr. Willis, at the request of the Insular Government, organized and opened the Philippine National Bank.



Here is the primitive Philippine method—still in use on some of the smaller plantations—of extracting hemp fiber. Grabbing the stalk in his left hand and wrapping the end of the fiber around a stick so as to hold it, the native pulled the fiber out slowly, repeating the operation until the 400 or 500 were extracted. Then along came the American machine shown in the right hand picture to do this work.



Picturesque bamboo bridges built by native Filipinos are admired, but for everyday use, the iron one which is replacing it, shown below, is preferable. The point of the third picture is that there's no particular point to the plow. It's simply a forked stick, with possibly—but not probably—a little metal at the blade. It also is giving away to the American plow, which will increase the yield per acre, which will increase the buying power per capita, which will increase the demand for more American plows and things.

Three milestones in the making of sugar in the Philippines. One marvels that sugar could have been produced under the primitive—almost antedeluvian methods employed in the upper picture. Forty to sixty per cent of the sugar in the cane was thrown out and that extracted was full of dirt. Up-to-date mills could well afford to grind cane for Filipinos, giving them outright as much sugar as they had previously been able to extract from it. American mills caused the exports of sugar for 1915 to go to \$10,000,000.

ONE serious obstacle to the growth of business in the Philippines has been the lack of capital and the high rates charged for loans both at banks and elsewhere. The new Philippine National Bank may be able to relieve this condition in some measure, and is endeavoring to do what it can in that direction, but real relief will come only from the larger investment of funds in the Islands by American capitalists. While it may be some time before general investors in the United States become deeply interested in Philippine opportunities, those who are familiar with the business openings in special lines, such as sugar, cocoanut oil, hemp and tobacco are already manifesting genuine interest, and in a practical way. The Philippines are developing their trade not only with the United States, but also to a very considerable extent with Japan, and in a somewhat lesser degree with China.

In China and Japan there are a number of notable financial institutions of large capitalization, sound management and broad connections. Some of these institutions have branches in Manila, and in the past have done a large part of the banking business there. There has been no particular reason why they should seek to develop the resources of the Philippines, and they have very naturally confined themselves quite generally to exchange operations and a limited class of commercial business in the Islands. The Philippine Government has been obliged at times to supplement local banking activities by making advances, sometimes through local banks, to agricultural and other enterprises in the Philippines. As is well known, it has also exercised through its Treasury Department the function of maintaining the currency of the country at a parity with gold.

The Philippine National Bank is thus a natural outgrowth of conditions. It has taken over most of the banking functions heretofore exercised by the Government, and is supplementing existing banking institutions by undertaking operations which they have not cared to go into, or else were not fitted to take up. It is to some extent unavoidably occupying the same field as these other institutions, but it in no wise seeks to limit their business, but rather to further it. Since its organization it has stood ready at all times to rediscount any paper

that might be presented to it locally. As time goes on, it may be expected to establish branches elsewhere in the Orient, and particularly in the Philippines, and thus to become a general Oriental institution, not confining itself exclusively to the Philippines, but endeavoring to develop trade between the Philippines and other parts of the East. For the present its work will naturally be confined to the Islands themselves. It has already established twenty-seven agencies in as many provincial capitals, where deposits are received and exchange sold, and at which applications for loans may be filed for transmission to Manila. Two regularly organized branches, one at Iloilo, the other at Cebu, are to be opened soon.

The Bank has established relations with correspondents in Japan and on the China Coast, and is selling and buying exchange upon Eastern points generally.

THE interest of American business men in the new institution should be genuine if they are at all concerned in Eastern trade. Inasmuch as the Philippine National Bank is endeavoring to do a substantial



"He lost his head" doesn't mean as much in the Philippines as it did before American authorities put an end to head-hunting. By gaining the friendship of the head-hunters, —seldom having to use a strong hand—the authorities have convinced them that it's better form to "chalk off" differences with one's enemy than to chop off his head. To show what is being done in the civilization of these savages, we present—



This Bontoc Igorot. Note his evolution from a savage head-hunter to a hunter of criminals, that is, to a position in the Philippines Constabulary. We see him as a head-hunter, then after one year in the Constabulary, then after two years. Follow his progress in civilization by observing the angle at which he wears his hat. But besides learning how to dress, he has learned to be an efficient officer.



local business, discounting paper and assisting the development of Philippine enterprises, it will be in a position to help in the expansion of insular business to a very material extent. One of the objects of its creation has been that of carrying further and rendering more effective the work of the former Agricultural Bank which had already rendered good service in helping the growers of sugar, hemp, tobacco, and other agricultural enterprises. The new Bank has carried thus during the present season, large loans to sugar growers, and has made considerable advances in connection with the milling of sugar. American business men who are looking to the development of a market in the Philippine Islands are being accommodated through the usual methods of opening credits and financing importations; while, as already seen, local exporters are being aided in bringing their products to market, as well as in merely financing shipment of them abroad.

The establishment of the new Philippine National Bank will be of large interest to the Philippines themselves, both from the standpoint of their own finances and that of their internal business. It has an authorized

capital of 20,000,000 pesos, or \$10,000,000 gold, of which 10,100,000 pesos has been subscribed by the Government of the Philippine Islands. The remainder of the stock is offered to public subscription, and is being gradually sold and taken up. As the depositing of insular, provincial and municipal funds throughout the Islands with the Bank is made mandatory, except in cases where public well-being may demand the use of other banks, the institution already has control of a large volume of public funds, its resources approximating 37,000,000 pesos, or more than \$18,000,000 in American currency. The Insular Government is thus responsible in three ways for the good conduct of the institution—as stockholder, as depositor, and as examiner or supervisor.

The president and vice president are appointed by the Governor of the Philippine Islands; and since the Government controls a majority of shares, it will always control a majority of the board of directors.

The transaction of general Government business, the

receipt of current deposits, payment of Government checks, making of remittances to foreign countries, and the like, are now in the hands of the Philippine National Bank, so that its duties are distinctly of a public character from many standpoints.

At the opening of the Bank's business it, of course, undertook the duty of making agricultural loans. These are carefully limited by law to one-half of its capital and surplus, plus such receipts as may be received through the sale of agricultural bonds. It likewise undertook the making of loans designed to facilitate the marketing and shipment of agricultural products; and has already facilitated considerable dealings in tobacco, sugar and hemp. It has opened credits in the United States for some of the principal importers in the Philippine Islands, and has also begun financing operations between Manila and the adjacent coast of China.

In all this the new bank will be an important factor in stimulating and developing our trade with the Philippines.



Like giant stairways leading up and down the mountain sides, the rice terraces of Northern Luzon are marvels of industry wrought by the Igorots and the Ifugaos, savage peoples of the Philippines. Rice, "the people's bread," is grown in standing water, which, in the lowlands, is supplied by irrigation, but on the mountains the plants depend on the annual rainfall for the necessary moisture. To obtain small level surfaces on which water can be kept standing, the mountain sides are terraced, the terrace walls, built of boulders piled together without cement or earth, being from eight to thirty

feet high and about one foot wide at the top. Enormous systems of these level spaces, or sementeras, extend for two or three miles up the steep mountain sides. A single area consisting of several thousand acres of mountain side is frequently devoted to sementeras. The upper surface of the top layer of stones serves as the path. The toilers ascend and descend on stone steps made of single rocks projecting from the outside of the walls at regular intervals. To carry off the surface water when the heavy rains of the wet season come, the natives have contrived an ingenious method of sluiceways.



WHAT IS HERE? GOLD?

Yellow, Glittering, Precious Gold



By WILLIAM ATHERTON DUPUY

DECORATIONS BY CHARLES E. HOWELL

DURING each twenty-four hours of last year there has been unloaded at the sub-treasury in New York an average of three tons of pure gold.

Two wagon-loads, each as big as a span of draft horses could pull, have backed up to this gateway to the American treasury and disgorged the yellow metal as a groceryman might unload his potatoes. Such has been the visible evidence of the trend to the United States of that metal which is the basis of the world's currency.

The United States has \$500,000,000 in actual physical gold above the amount she had a year ago. The increase in her gold stock is greater than the outpouring of all the mines of the world during the same period. This increase is added to holdings that were already the envy of other nations. It means that there is in the United States Treasury two billions of dollars in the glinting yellow metal—more than is possessed by any other four nations in the world, two-fifths of the gold in the treasuries of the nations of the whole world.

So does a condition come about that is unprecedented in the annals of history. So does that stalwart young nation of the West find itself possessed of such quantities of gold as would seem to assure it such financial dominance as was never conceived by any nation of the past. But so does this condition confront American financiers with problems that are entirely without precedent and leave them to speculate on probable results with no facts upon which to base their conclusions.

This gold situation is the parent of many theories. The simplest conclusion is that America will, following the war, be the financial center of the world, that all nations will come here to borrow, that the benefits accruing from her accumulations of gold will be without stint. Then there is the theory that the United States, needing no credit, will be possessed of a monopoly of the world's basis for credit while those nations which will need to borrow will have little gold. Thus lacking credit, those nations would be unable to transact business and thus would the United States suffer also. There is another theory of what will happen when the war is over that gold holdings may readjust themselves something like this: The presence of much money in the United States will result in much buying. The absence of money in Europe will result in great frugality. Europe will immediately begin to produce for this American

market, but will buy little. The balance of trade will be greatly in favor of Europe. Gold will go to Europe to square the books. Its proper distribution will automatically work itself out.

These and many other theories are ventured but no man knows what will happen. There is but speculation on the subject. Only the physical facts may be known of the flood of gold to the American treasury and the way of its coming. Here, however, is a romance of production and accumulation that defies all time for a parallel.

The amount of gold in the United States treasury passed the two billion mark in October of the present year. On June 30, 1915, it amounted to \$1,370,000,000, so the pyramiding accumulation is evident. These amounts are, in these terms, beyond the grasp of the human mind. That they may be appreciated, may we not interpret them into more readily grasped units?

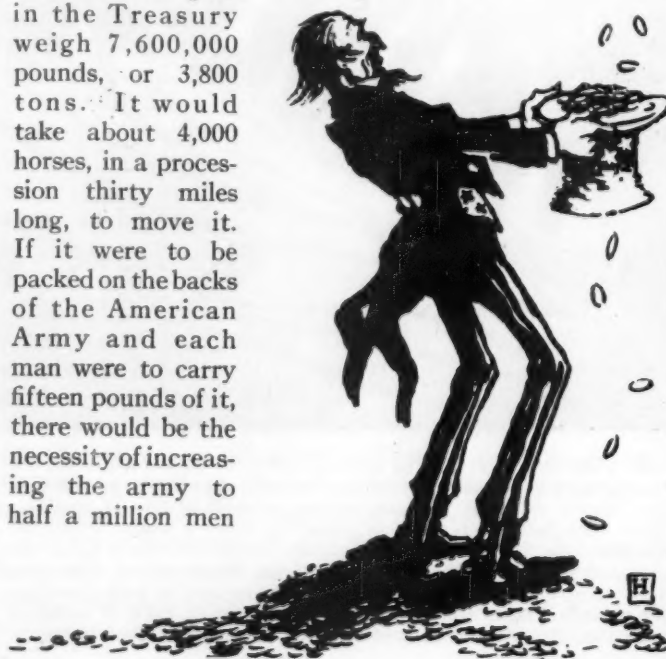
Gold! Gold! Gold! Gold!
Bright and yellow, hard and cold,
Molten, graven, hammer'd and roll'd;
Heavy to get, and light to hold;
Hoarded, barter'd, bought, and sold,
Stolen, borrow'd, squandered, doled;
Spurn'd by the young, but hugg'd by
the old

To the very verge of the churchyard
mould;
Price of many a crime untold;

Gold! Gold! Gold! Gold!
Good or bad a thousand-fold!
How widely its agencies vary—
To save—to ruin—to curse—to bless—
As even its minted coins express,
Now stamp'd with the image of Good
Queen Bess,
And now of a Bloody Mary.

—Thomas Hood.

THE United States is accustomed to tying its gold coin up in sacks containing \$5,000 each. Such a sack weighs 19 pounds. It takes 200 of these sacks to make a million dollars and this amount of money weighs 3,800 pounds, or nearly two tons and is a good load for a two-horse wagon. So would the two billions in gold in the Treasury weigh 7,600,000 pounds, or 3,800 tons. It would take about 4,000 horses, in a procession thirty miles long, to move it. If it were to be packed on the backs of the American Army and each man were to carry fifteen pounds of it, there would be the necessity of increasing the army to half a million men





that it might be borne. If it were loaded into freight cars it would require 125 of them carrying capacity weight, to bear it. Four hundred thousand of Uncle Sam's sons and daughters might be handed these 19-pound sacks of coin, each containing \$5,000, before the treasury would be emptied. It would take a single file procession of these gold bearers eight days to pass a given point, even if they were able to excel in speed the nation's best marching troops.

This great quantity of gold is stacked up in the United States subtreasuries like so much wheat in a granary. Much of it is in American gold coin in \$10,000 sacks and as such, piles very neatly. There is a little pile of \$10,000,000 in a corner of the Treasury in Washington, for instance. More of this gold is in the form of bars that approximate 30 pounds in weight and are worth about \$8,000 each. These are filed away in burglar-proof, bomb-proof vaults at the various sub-treasuries.

The United States distributes its gold, the chief holdings being at New York, Denver, Philadelphia and San Francisco. Denver had about half a billion dollars at the outbreak of the war, this being Uncle Sam's greatest hoard of gold under a single roof. There was but one greater storehouse of gold in the world at that time, this being the Bank of Russia. There was more gold under a single roof at this institution than in the United States, because Russia had her hoard concentrated. Her \$600,000,000 was, however, less than half the sum held in America's combined sub-treasuries.

Denver now has \$482,000,000 in gold. New York has taken the lead as having the world's greatest store of gold under one roof. The sub-treasury there now has nearly \$700,000,000 in gold. At Philadelphia there is more than \$300,000,000 in gold while San Francisco has about \$400,000,000. It is doubtful if there is now another accumulation of gold in the world that surpasses that at any one of these treasure houses.

The stream of gold that has been pouring into the United States has come mostly by way of New York. The two wagon-loads of it that every day reach the sub-treasury do not actually arrive thus in bulk. The gold sifts in through the various banks. Europeans make good on their obligations to American correspondents by sending the actual physical gold. They do this because it is cheaper than for them to pay the exchange. The banks do not want the physical gold, so they send it around to the Treasury and get gold certificates for it.

Before these certificates are issued, however, the sub-treasury determines the actual value of the gold delivered to it. Much of this gold is in American coin that found its way to Europe before the gold tide reversed itself. Much of it is in English sovereigns, French twenty-franc pieces, Russian rubles, gold bars with the official stamp of many nations upon them. Every ounce of this gold is submitted to the same process. It is melted and an

assay is made of the material resulting. Then payment is made for the actual pure gold that is found in given consignments. A gold coin may have lost weight from wear, the assay of alloy in a bar may be at variance with the official stamp of the nation from which it came. Differences innumerable may arise. In case of these differences the figures of the New York assay office stand. There is no appeal. There is no possibility of gold reaching the United States Treasury without first going through the assay office. Gold at least must submit to the purifying process of the melting pot before it becomes American.

Before the war Russia and France ranked next to the United States in their gold stores, but the latter nation had more than both of them. The nations with next greatest hoards of gold were Great Britain, Germany, Austria and Italy and the United States had more gold than the four of them. The facts are not available as to the gold reserves of those nations at the present time, but, figuring their losses and the gains of the United States, it may easily be true that this government now has more gold than these six nations.

THE dramatic gold situation of the present and the immensity of the gold hoards of nations are thrown into more striking silhouette when they are considered in their outline against the past. Gold in quantities such as exist today is a thing of the present generation. The gold of the world of twenty-five years ago was an insignificant bauble when measured by the volumes of that metal in existence today.

The world has been, for the last half dozen years, producing about \$450,000,000 worth of gold annually. There was in the possession of mankind in the year 1800 but \$300,000,000 in gold, an amount such as is now produced every eight months. In that decade of the last century which corresponds with the present decade of this, the annual gold production was \$8,000,000. In 1850 the treasury of France held but \$15,000,000.

Gold was discovered in California in 1848 and in Australia in 1851, and its world production multiplied itself by ten and became \$100,000,000 a year, a pace which was held for forty years. Then came the gold excitement of South Africa which added another great field to the world's production but which also gave it a process of extracting that metal which contributed vastly more than did the Transvaal.

McArthur and Forrest were British mining men in the gold fields and it was their scientific knowledge and inventive genius that gave the world the cyanide process of extracting gold—a process the use of which soon ran the world around and made it possible that the elusive precious metal might be filched from low grade ores which had before that time been unprofitable. So was world

production multiplied by four. So dawned a new era in the measure of gold history.

The double decade of great growth in the production of gold was from 1890 to 1910. By the latter period the annual production had reached approximately \$450,000,000, which it has maintained ever since with little variance. The period of growth is shown by the following table:

1890.....\$113,000,000	1900.....\$255,000,000
1891.....130,000,000	1901.....263,000,000
1892.....146,000,000	1902.....296,000,000
1893.....157,000,000	1903.....337,000,000
1894.....181,000,000	1904.....347,000,000
1895.....198,000,000	1905.....380,000,000
1896.....202,000,000	1906.....402,000,000
1897.....236,000,000	1907.....412,000,000
1898.....286,000,000	1908.....442,000,000
1899.....306,000,000	1909.....454,000,000

From these figures it would appear that about eight billion dollars has been produced since the dawning of that golden era twenty-six years ago. The wear and tear on gold and the quantities that are lost are estimated as having absorbed the surplus of 1890. The Treasurer of the United States at one time, for instance, dropped from his books \$165,000,000 as an estimate of gold coin that had been lost, and this was more gold than the nation had in 1890. So that eight billions may be figured as the present gold stock of the world.

Great care has been taken by the experts in their attempts to estimate the amounts of gold that have gone into the arts and trades—that has been forged into the jewelry of mankind, into its plate, that has been used to fill its teeth, to put heads on its walking sticks. The authorities believe that one-fourth of the gold has been so used.

Of the six billions remaining, the United States has received about two-fifths. Aside from the two billions in her treasury, she has \$600,000,000 in circulation. When this \$2,600,000,000, absorbed by the United States, is placed against the \$3,400,000,000 that remained for distribution to all the rest of the world, it is apparent that the butter of gold outside the United States must be spread pretty thin.

The flood of gold that has gushed from the mines of the world for the last twenty-five years has flowed chiefly into a single reservoir—the treasure vaults of nations. During that period, the chief nations of the world have adopted gold as the basis of their currency systems. All nations have said to the possessors of gold: "Bring it to our treasury and receive for it the world's standard price, \$20.67 an ounce." The market price for gold was everywhere the same and everywhere equally certain. The producers have turned it into the treasuries of nations. Once there it remained indefinitely, or was shuttled about the map in adjustments of the balances of trade.

THERE are those who speculate upon what will happen when the treasure vaults of nations have been filled and no longer offer a market for gold. But the point is, that they may not refuse to buy, for so doing would cheapen gold and undermine their own currency systems. So it would appear that they must dig their cellars bigger and continue to the end of time to pile up gold at \$20.67 an ounce.

But Uncle Sam jingles his coin in the satisfaction of vast possession, and leaves the poor in purse and the academic spinner of theories to speculate on the future. It is his idea of the prize stunt in futility to pull a whisker in perplexity because of the possession of too much gold.

THE STRANGER IN OUR MIDST

The Student from Other Lands
Speeds the Day of International
Friendship—By C. D. Hurrey

THE machinery and methods with which foreign students become acquainted in North America are the kind they will use and promote upon returning to their home countries," says a prominent Chinese educator, and his statement can be applied with equal force to all of the 6,000 students from forty nations who are now enrolled in the colleges and universities of the United States and Canada. These future leaders of nations will become promoters not only of machinery and methods, but of articles of food, wearing apparel, scientific instruments, and a thousand novelties in the manufacture of which America excels.

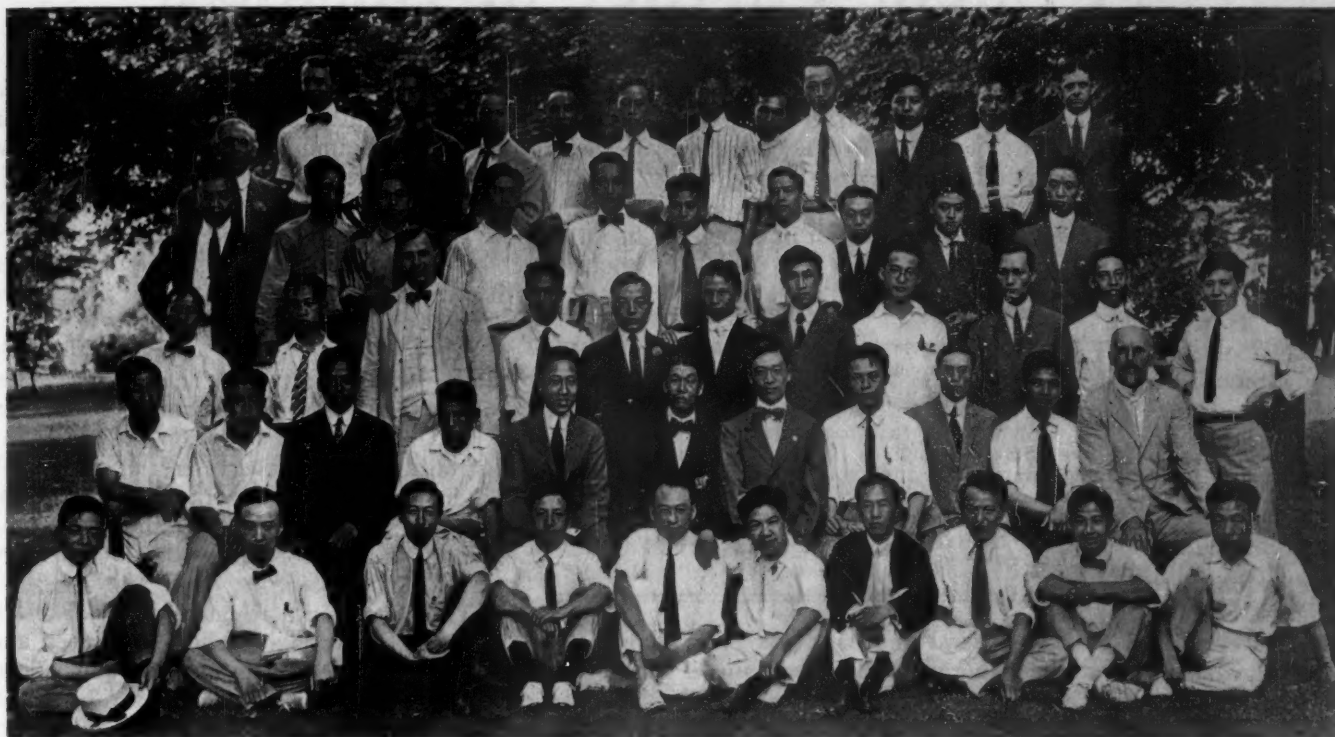
A majority of the foreign students are studying engineering, industrial chemistry, banking, commerce, and business administration; they are introduced to the latest inventions and the most modern appliances used by the mechanical and electrical engineer, the chemist and banker. After four to six years of experience with articles used in American business, it stands to reason

that the foreign student will insist on the introduction and use of articles which he has tested and proved satisfactory. No such opportunity for the expansion of foreign trade has heretofore been presented to the North American business man. Here are fully 2,000 students from the republics of Latin America; 1,500 from China; 1,000 from Japan; 500 from the Philippines, and hundreds from Russia, the near East and India. They represent wealthy and influential families and industries. After three to six years of study they will return to positions of power in their home countries. They are studying in all parts of North America. There are 275 at the University of Pennsylvania; 300 at Cornell; 400 at Columbia; 250 at Michigan; 200 at Illinois; 150 at Wisconsin, and 300 at California. At least 400 are enrolled in the various institutions in Chicago.

Is not this a situation which should arrest the attention of commercial leaders? What are we going to do about it? Let us be practical. There exists a Com-

mittee on Friendly Relations among Foreign Students, with offices at 124 East 28th Street, New York City, composed of business and professional men who are interested in promoting international friendship; traveling secretaries representing different nationalities are em-

community, why should they not be given a reception by the Chamber of Commerce and invited to inspect certain factories and visit other points of interest? Perhaps a sight-seeing automobile tour can be arranged for them. They would greatly appreciate an invitation



A directory of Chinese students who have completed their education in foreign countries shows that, of the total staff of the Chinese ministry of agriculture and commerce, 48.6 per cent were educated abroad; ministry of communications, 48.6 per cent; ministry of war, 34.1; foreign affairs, 32.2; justice, 30.1; education, 28.8; finance, 20.7; interior, 17.7; navy, 14.9; and the supreme court, 40 per cent. Many Chinese students have distinguished themselves for brilliant scholarship in American schools, among them Mr. Wang Chen-hsu, who carried off the highest honors in oratory at Yale last year; Mr. Ling Ping, who graduated from Stanford last year with the highest honors in his section in education, and Mr. Chu Chin, doctor of philosophy of Columbia. Those shown above are studying in the United States, and are members of families most influential in the commercial and political life of China.

ployed and committees are appointed in the universities and colleges. Efforts are made to welcome the foreign student upon his arrival in the United States and Canada and to assist him in enrolling in the University of his choice. He is introduced to fellow students and professors and made to feel at home in his new environment. A handbook of information is presented to each new student and a directory of all foreign students in the United States and Canada is compiled and distributed. Visits are made to various manufacturing plants, business houses, charitable and philanthropic institutions. By these and other methods the best features of our civilization are revealed and interpreted.

In this connection, business men and commercial organizations can be most helpful and their efforts will not go unrewarded. Not exploiting but courtesy and friendly cooperation should, of course, be the controlling motive. If there are foreign students in your

to your home or club or place of business, and your thoughtfulness will never be forgotten if you remember them at Christmas time. The writer will gladly give further information regarding ways and means of meeting these students.

Information Bureaus for Latin American students have been established in New York and New Orleans with Spanish speaking secretaries in charge; new students will be met at the pier and assisted in dispatching baggage, securing hotel accommodations or continuing the journey to the interior.

It is an interesting fact that many of the most prominent business men abroad were former students in the United States. Future builders of railroads, bridges, skyscrapers, and factories, also future dentists, physicians, teachers, merchants and diplomats are now with us. It is good business, good ethics, and good diplomacy to win their friendship.

IF another man gets a higher salary than you receive, it is probably because he is worth more. Employers do not pick men out to pay good wages to because they have curly hair.—THE SAGE OF POTATO HILL.

THE COMMUNITY'S HEALTH— A Silent Partner of Business

By J. WAINWRIGHT EVANS

ONCE Upon a Time there was a Little Man with a Large Assortment of Ideas; and he went to a baseball game to find surcease from thought in the crack of the bat and the long hit. Now the particular idea that had been buzzing the loudest in his head at that time was the Common House Fly and How to Make it Uncommon. He never could look at a fly without feeling a cruel desire to squash it. He was, in fact, about to publish a health bulletin indicting the fly on more counts than the

fly has eyes, and he has several thousand and fifty.

Well, when he got to the game, and had just rid himself of the whole notion for a moment, and was eagerly awaiting action on the part of the batsman, somebody—in fact a lot of them—shouted "Swat the ball!" The batsman did; he swatted the prettiest fly any fan would ask to see.—And then while the crowd roared, the fly-hater took out a pencil and scribbled on a bit of paper those three winged words that were destined in the months that followed to fly round the world and back again: "Swat the Fly!"

I am relating it here in spite of space limitations laid on me by the editor because I want to create a presumption right at the start that the subject of this article, as discussed by the Swat the Fly Man, the Individual Drinking Cup Man, the Anti-Roller Towel Man, is not anywhere near as academic and sociological as it sounds.

I found Dr. S. J. Crumbine, Secretary of the Kansas State Board of Health, in his office at the State House in Topeka. He was just back from a trip to an oil town, where the six thousand inhabitants are getting two things out of the ground in large measure, oil and typhoid.

He told me about it. "Now then," he concluded, "that town has grown so fast since they found oil there two years ago, that the affairs of the whole community are a mess—just one big welter—a scramble for the Almighty Dollar where everybody's business is nobody's business. They've just got to clean up. Their line of pests at present ranges all the way from unscreened privies to fast women. They'll have to clean up—if only to gain some of the money that they're so insane about. Why, man, think of the folly of it!" Here Dr. Crumbine brought his fist down vigorously on his desk,

and his eyes flashed wrathfully. "They can't see that in their neglect of the community health they are throwing away the very dollars they are after. This typhoid business started eighteen months ago, soon after the oil boom began. Eighty-five laboring men have been knocked out by it. I ask you which is the bigger loser, those men or the community that is deprived of their productive labor?"

"Take it in big figures and you can't help but see what it means. The United States Public Health Service reports that there are in the United States 30,000,000 laborers; and that on an average every man of them is ill and incapacitated for work nine days in the year; and that this spells for the country an economic loss of \$880,000,000—not far short of a billion, you see.

"Translated into economic terms, that means that every sick man is a liability to himself and the community, and that he hurts business and lessens the general prosperity of the country. Any wage-earner who is sick for a month has conscious knowledge that his wage has ceased, and that he has changed from a productive unit to a consuming factor. He can neither produce nor purchase; and his inability to produce and purchase makes an economic difference to the community.

"Fundamentally, therefore, prosperity rests on health. The fact is so obvious that it is hard to account satisfactorily for our national lack of any sense of relative values in this connection. I had an experience recently

that was as bitingly ironical a commentary on our national sin in this matter as anything I can think of. To me it has been more illuminating than any amount of theory.

FOR the first time, Congress has appropriated money to enable the Public Health Service to protect the people of the United States by controlling the biological products used in the treatment of diseases of human beings. The Service asked for \$25,000 to carry on the work during 1917, and received \$10,000. Congress, however, has not neglected to protect the purity of the biological products used in the treatment of diseases of animals, but has for years appropriated funds to be used by the Department of Agriculture for that purpose, the present appropriation being something over \$100,000.

"Everyone will remember a sensational story, sent out by the Associated Press last year when the excitement over the foot and mouth disease was at its height, about a human case of the disease that had been discovered in Ellsworth County, Kansas. Well, I was behind the scenes when it happened." Dr. Crumbine smiled grimly and straightened a small pile of papers that was already nearly straight. "The Ellsworth County Health Officer," he went on, "reported the case to me. Such cases are very rare; I had never seen one. So I sent our expert, Dr. Richard Sutton, to take a look at the man. He confirmed the diagnosis. Four days later I went, with Dr.

O. D. Walker of Salina, president of the State Board of Health, to see the case.

"In the meantime the United States Government had sent a trained veterinary from the Bureau of Animal Industry to investigate, and to see to it, you will note, that the *cattle interests* were protected from the *man*. One of the first things done, I may add in passing, was to establish around that man a five mile quarantine.

"Dr. Walker and I returned to the hotel from our examination of the case, and went to bed in a double room. About midnight came a thundering knock at the door, and there stood the hotel clerk accompanied by a man who announced himself as Doctor So and So of the Bureau of Animal Industry. I wanted very much to know for what reason he had considered it necessary to rout us out at midnight,—but I waited.

"Excuse me for troubling you, gentlemen," he said, 'but I've been sent here to investigate this human case of foot and mouth disease. Learning that you were here, I came to inquire about it.'

"We assured him that we had seen the case, that it was properly quarantined, and that the *cattle interests* were safe.

"When we told him that, the gentleman from Washington looked much relieved. 'I am glad to learn it,' he said.

"And as he uttered those words, it was as if I had seen a great light. I turned to Doctor Walker. 'My God! Walker,' I exclaimed, 'is it possible that the government at Washington has not heard of the four thousand babies that died in this state last year—two thousand of them from preventable causes? and that Washington hasn't heard of the one thousand Kansas folks who died last year of tuberculosis?'

"Our visitor looked uneasy. 'Excuse me, sir,' said I turning to him, 'but I want to congratulate you on representing so efficient an arm of the government service. I merely couldn't help wondering if the government had failed to hear of the deaths of these human beings. The promptness with which it has taken preventive measures in this case to save the cattle suggests that Washington cannot have heard that our people are dying by thousands of preventable causes.'

"That didn't ease the tension any; but our visitor passed off my sarcasm as gracefully as he could, and we laughed just as if I had been joking. He finally departed, comfortable in the assurance that the cattle were safe. I never saw him again.

"Now then, isn't that as fine an illustration as you could ask of our notions of relative values?" demanded the Doctor, leaning forward in his chair. "Think of it! Unlimited care, with money flowing like water, to see that the cattle were safe; and no realizing sense of what is the economic value of a man—even if you can't see anything in him but a source of dollars and cents. If

the health of a steer is worth so much, how do you reckon a man?—Let me tell you that we workers for public health dream of the day when we shall be called at midnight by Washington to see if the *people* are safe!

"When this country provides for public health we shall have the corner stone of all business prosperity. It will bring all other needful things with it. Brains, efficiency, spirituality, we shall have them all if we have real public health—not otherwise. If a man has a bad liver, don't ask him to be religious; if his mind and body are poisoned and ill-nourished, don't ask him to think straight. It can't be done.

"The insurance companies are already waking up to this. Some of the old line companies are providing free physical examinations to all their policy holders at frequent intervals for the discovery and prevention of incipient disease. What this means from a business

FAILURE to take proper measures for the conservation of human life is responsible for the fact that seventeen per cent of the deaths in the U. S. are of children under one year old, whereas, according to health authorities, the percentage should be only about ten. In 1913, 245,000 infants under one year of age died, and, in 1914, 238,000. The economic drain caused in the U. S. by insanity from preventable causes is enormous. There are 225,000 insane, whose maintenance costs \$40,000,000 annually. Health authorities say that two-thirds of these could have been prevented from becoming insane.

point of view is clear in the results of a survey examination made in New York a year ago. Two thousand clerks and employees, mostly of middle age, were chosen

at random from the business district for physical examination. Thirty-three per cent of them—think of it—had some recognized physical defect, generally preventable if taken in time, but often fatal if not checked at once.

"Again—many insurance companies that sell industrial accident policies provide visiting nurses to policy holders who are ill.—Philanthropy? Not on your life. Such measures prolong the ability of the policy holder to pay premiums. This is a plan that will save thousands of lives and millions of dollars.

"Big business corporations too are beginning to see the light, and to recognize the relationship between the health of their employees and their economic value. It isn't long since no sane employer would have felt called upon to play the philanthropist to his men,—for that's how he would have looked at such things as sanitary conveniences, first aid facilities, completely equipped medical departments and safety appliances. Today, it's just common sense. The safety appliances were, of course, put in first to avoid damage suits; but they

have turned out to be money savers. The business men worth their salt have already found out that a high average of health is as fundamentally a part of their assets as is their capital stock for raw material."

Dr. Crumbine spends a great deal of his thought and time in trying to bring home to his people a sense of these "relative values." But he needs a slogan.

Perhaps the Little Man with the Large Assortment of Ideas, who has taught us to swat the fly, the neighborhood drinking cup, and the roller towel, will go to another ball game some day and there get an inspiration for another slogan that will arouse us to a sense of the relative values of a steer and a man.



The architect's sketch for workmen's cottages at Bridgeport, to be erected in garden surroundings. The sociologists say that if every child were in a home and every home in a garden, we would not have many social problems left.

WANTED—UNFURNISHED HOUSES

Attractive Cottage, all modern improvements, low rent with chance to buy and be independent of owner-employer. Address N. E. Workman, Industrial Center. tf. 28.

By BRISTOW ADAMS

BY a strange paradox, the tearing down of homes in Europe is working toward their building up in this country. A case in point is Bridgeport, Connecticut. The boom of big guns somewhere in France means a big boom in business at Bridgeport; and while we deplore the cause we must cope with the effect.

Not that the industrial life of this country has not had its housing problems before, but the present situation in certain special communities has drawn attention to the whole field. Any solution must mean satisfaction to the investor who puts his money into houses, satisfaction to the manufacturer who employs those who live in the houses, satisfaction to the municipality where such houses are erected, and, most of all, satisfaction to the home dweller himself. One manufacturer sums it up thus:

"Workers will not stay in a city where they cannot live decently, particularly in view of the present demands for workers; therefore the housing problem means something to the business man who is developing his business.

"Building houses by wholesale means getting the result of the world's best experience, and selling the houses at the lowest cost. This means something to the business man, too, for the cheaper the rent in proportion to the value, the better it is for the worker. High rent and poor accommodations promote discontent and strikes. Because of these things, the business man is coming to take a real interest in his employees' home life."

Note that, being a business man, this person sees the problem from the business viewpoint. But note also

that he begins to see it from the viewpoint of the worker, even though he is concerned with the worker's reaction on business. In the final solution everybody will see all sides through the eyes of each party concerned.

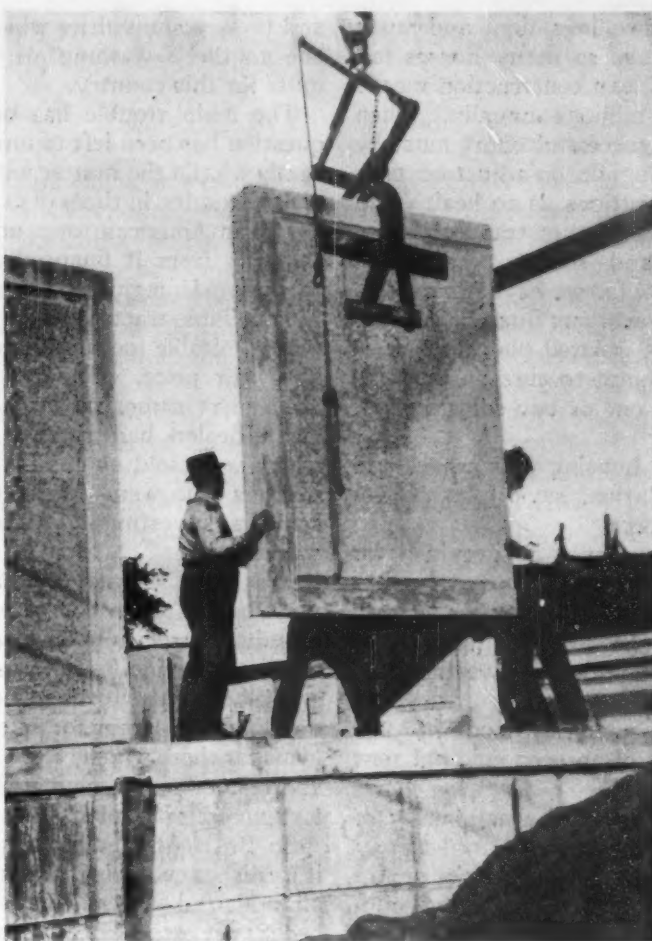
But let's get back to Bridgeport. We reach it the way of the New Haven railroad, which runs through the center of the city. Also, the city is roughly bisected by the Pequannock river, more or less of a tidal estuary from Long Island Sound. Its whole water front is amplified by other tide creeks. As to other conditions it was not markedly different from many another thriving New England industrial center, prior to 1914. It had its specialized manufactures, just as many another American city has, as in the case of collars at Troy, rubber at Akron, optical goods at Rochester, and so on. But at Bridgeport the manufacture was largely of small arms ammunition.

Up to the first of last August, just two years after the war's outbreak, Bridgeport received an additional 22,000 workers to help carry out war orders. Even with these, some 14,000 more were needed to work on tasks already in sight; by the first of this November a large share of these were on the ground. To house a small city of 36,000 population is no small job. To do it satisfactorily is a very big one. Add to mere numbers the complexity of mixed races and the task becomes Herculean. Of the workers, one-fourth are native born of native parents, more than a third are native born of foreign parents, and about an equal number are foreign born. About one worker in a hundred is a negro. Of

the foreign population, the Hungarians out-number the representatives of any other nation, followed in order by the Irish and Italians, each with something more than 5,000. Then follow Russia with 4,000 in round numbers and Austria with a few less. England and Germany follow with about 3,000 each, then the Scandinavian countries, and Canada and Scotland, with a final scattering of about 1,000 from various other nationalities.

These rather dry facts have to be stated to get a fair view of the field. Folks are folks and have to be housed as such, with due consideration to their characters, whims, idiosyncrasies, and race prejudices, and to their marital or family conditions. They can't just be stabled, like dumb driven cattle; several housing ventures have gone wrong because their sponsors did not take seriously enough this latter point.

What happened at Bridgeport? As is very often the case in these days of alert chambers of commerce, the Bridgeport Chamber got busy, appointed a committee and the committee made a preliminary study. This study showed the need of expert advice. It was patent that the situation was acute and that it was "getting no better fast," or, as the



The economic possibilities of large unit concrete construction, which is durable and quickly erected. This development under the Sage Foundation at Forest Hills, Long Island, has been thought of as a workingman's improved housing venture, but it is plainly beyond the means of the workingman, as indicated by the pictures on the following page.

With all of these, he is practical. Note how he sums up the whole problem:

To begin with, he says, housing is a big business and should be so handled. Nearly two and a half

committees said, "it becomes automatically worse from day to day". The ordinary real estate interests scarcely met only ordinary needs and increases, yet the welfare of every business interest and property owner in the city was involved.

To secure the financial and personal support of everybody the committee resolved itself into a housing company, of which the directors are to serve without salaries, and steps were taken toward getting a competent manager to give the business his sole attention. An expert was hired in the person of John Nolen, city planner, of Cambridge, Massachusetts, who made a detailed survey of conditions, devised plans, and prepared an exhaustive report, which is partly the basis for this article.

This John Nolen is not merely a landscape architect, or a planner of houses, and a placer of parks on paper. He is a man with a vision, who sees the aesthetic side, the economic side, and the humanitarian, or the social and moral side.



At Nanticoke, Pennsylvania, the Delaware and Lackawanna company has built plain houses of poured slag concrete, cast in movable molds. They are painted white inside and out, and present a pleasing, neat appearance because of their liberal proportions and ample grounds. For \$8 a month a family gets six rooms and sleeping porch.



Houses at Akron, Ohio, sold at cost on the instalment plan. The one in the foreground has six rooms and bath, modern improvements, and occupies a lot 50 by 110 feet. This particular house, with lot and all improvements, costs \$3,000, but there are others as low as \$1,800, for smaller families, and some more expensive.

billions are spent annually in dwellings alone and much of it not truly invested, because so many houses fall short of being satisfactory. Cheap construction means an economic loss of hundreds of millions annually. Then he goes on to show that any successful effort must be based on a proper choice of materials, on adjustments as to land and taxation, on precautions as to health and sanitation, the relation to industries, to transportation, to parks and playgrounds and schools. Even the enumeration of these shows how far we have progressed. Formerly, the quarters of the workers in any great industry were treated as a single isolated phenomenon,—as though a doctor should attempt to cure an eruptive disease by applying a salve to one or two sores on face or hands.

Then there's the relation of housing with wages and standards of living. This relation, says John Nolen, involves four closely related points:

First; a really decent home cannot be provided for much less than \$2,000, including house, lot, street improvements, public utilities and recreation. With Bridgeport's need of 4,000 new houses, a simple calculation shows that an eight-million-dollar investment is required in that one town alone.

Second: a house costing in the neighborhood of \$2,000 cannot be offered, on the basis of an economic net rent return, for less than \$15 a month.

Third: The wage earner with the normal family of wife and three dependent children cannot afford to pay \$15 a month unless he has a wage of \$15 a week or nearly \$800 a year. This follows the time-tried domestic-economy axiom that housing must not cost more than one-fourth of the income.

Fourth: More than half of the fathers of workingmen's families earn less than \$15 a week.

Looks like the ancient poser of the irresistible force running up against the immovable body, doesn't it? Well, let's see what arbitration will do. There's no solution of the problem in its most acute form, to affect more than half of the wage workers, until one or more of these four points can be adjusted. Here's the choice: Cut down the cost of the house, lower the standard of living, or raise wages. Or, on the other hand, put the wife and children to work, take boarders or roomers, or accept charity. The second choices do not sound good,

and those communities which seem to exist by taking in one another's washing are not the right sort of social units for this country.

The main trouble has been that the whole housing question has been left to unregulated speculation. And that's what's the matter with Bridgeport right now. It always results, in times of expansion, in "house famines." Many an American town and city besides Bridgeport is suffering from it financially, industrially, socially, and morally. Unregulated speculation bought up a lot of the available tracts in and around Bridgeport; as a result places suitable for workingmen's houses are hard to find at a fair price. The movement for more houses for Bridgeport came too late in this respect, though real estate dealers had disposed of some 5,000 building lots, which were sold on the instalment plan, and largely to workers who were persuaded that the purchase represented an investment. House-building did not keep pace with lot buying.

Much of the existing housing in Bridgeport is bad,—very bad. Tenements are inflammable, overcrowded, insanitary, especially down along the tide creeks. Houses ought to provide for an amelioration of these conditions, and plans ought to be varied enough to provide rented dwellings, dwellings for sale on time payments, building loans for those who have bought lots; apartments or flats, and comfortable rooming places for unmarried men and for unmarried women.

So Bridgeport starts to accomplish this; incidentally it furnishes examples of what might be done profitably in all industrial centers. On the other hand, it has had the benefit of experiences elsewhere, because, as already pointed out, the problem is not a new one, and involves not merely houses, but homes in healthful, pleasant surroundings, where good citizenship will be subconsciously absorbed from schools, parks, and open spaces.

Some of the places which have built good houses for workingmen, and from which ideas are being borrowed by Bridgeport are Akron, Ohio; Worcester, Massachusetts; Kistler, Nanticoke, and Philadelphia, Pennsylvania; and Washington.

Most of these developments have been through the activities of individual firms which solved the problems for their own workers. The worker objects to this, as he thinks it takes away his independence (*Concluded on page 39*)



The outside view of one of the unit construction houses at Forest Hills. The large blocks have a decorative quality all their own.



Inside of a unit block concrete house, showing how the blocks actually furnish a pleasing panel effect on the interior walls.

Miss Cathay, May I Present Uncle Sam?

By R. H. STANFORD

WITH the purpose of making China as well understood in America as America is understood in the Republic of the Orient, the China Club of Seattle was launched September 9. It seeks to become known as a source of information on China in the same manner that the Alaska Bureau of the Seattle Chamber of Commerce has established a reputation as the center of available data on Alaska.

The organization is the result of the recent visit to Seattle of Mr. Julean H. Arnold, commercial attache of the American legation at Peking. Mr. Arnold commented on the proximity of the port to the Orient and its direct interest in trans-Pacific trade making it the logical location for such an institution. The idea met with immediate response on the part of the Chamber of Commerce, which assembled twenty-five prominent men to hear Mr. Arnold.

Judge Thomas Burke was named president at this first meeting when preliminary organization was formed. Judge Burke is president of the Seattle Chamber of Commerce, a director of the National Chamber, and was president in 1915 of the Associated Chambers of Commerce of the Pacific Coast when that organization acted as host of the visit of the Honorary Commercial Commissioners of China. The other officers selected are:

Vice-President, Dr. Henry Suzzallo, president of the University of Washington and former dean of the College of Teachers at Columbia University; Chairman Executive Committee, J. F. Douglas, vice-chairman of the foreign trade department, Seattle Chamber of Commerce; Executive Committeemen, Moritz Thomsen, member foreign trade department of the Seattle Chamber of Commerce, and William Pigott, president Seattle Manufacturers Association; Secretary, Clancy M. Lewis, secretary Seattle

Manufacturers Association and former member of the faculty of the American college at Canton.

Among other well known men who participated in the first meeting were former Secretary of the Interior R. A. Ballinger; former United States Senator S. H. Piles; J. E. Chilberg, chairman of the foreign trade department of the Seattle Chamber, former president of that body, and president of the Alaska-Yukon-Pacific Exposition of 1909; C. B. Yandell, chairman of the committee of the Associated Chambers of Commerce of the Pacific Coast who personally directed the trip of the Chinese commission last year; Dr. H. H. Gowen, head of the College of Oriental Languages at the University of Washington; and W. B. Henderson, commercial agent United States Bureau of Foreign and Domestic Commerce.

The China Club of Seattle will begin modestly with one or two rooms. It will keep on file papers and periodicals, welcome travelers to and from their way to China, and seek in every way to promote commerce between the two countries and mutual understanding and respect between the two peoples. The University of Washington will give its active cooperation.

Mr. Arnold, who has spent fourteen years in the Orient as an official representative of the United States, says missionary work is necessary in this country in order to make Americans appreciate China as the Chinese, after years of missionary work there, have come to know the United States. Such a campaign of education is essential, he maintains, before this country will be able to command intelligently the great markets of the Chinese, who already desire to buy American goods if they can obtain them in the manner and under the conditions required by the customs of the country and the system of doing business there.



This photograph will be taken by Mr. Arnold to the Orient to show prominent government officials, business leaders and educators, as representing the group of charter members of an institution promising much for the mutual benefit of both countries. They are, top row—left to right: W. B. Henderson, H. K. Benson, W. S. Allen, K. G. Fisk, Roy O. Hadley, R. B. Piles, C. C. Finn, C. B. Yandell. Middle row: H. H. Stuart, E. H. Stuart, D. W. Hartzell, M. J. Connell, S. H. Piles, R. A. Ballinger, H. H. Gowen. Bottom row: J. E. Chilberg, C. M. Lewis, Julean Arnold, J. F. Douglas, Henry Suzzallo, William Pigott, Moritz Thomsen.



Counting sheep as they enter the National Forest grazing grounds. More than one-fourth of the sheep in our western states spend at least a part of their lives in the forests.



A tie-back scoring the face of a tie for the Northern Pacific Railroad. With the government caring for the forests there will be no lack of tie timber for western railroad development and maintenance.



Forest rangers putting out a fire in Utah. Fighting forest fires is no romantic job, but has to be done when lightning or careless campers start the great scourge of American timberlands.



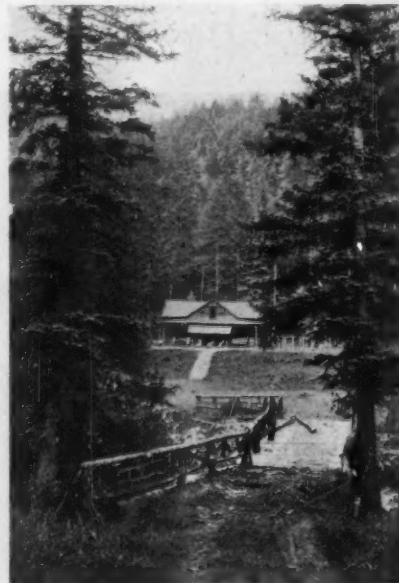
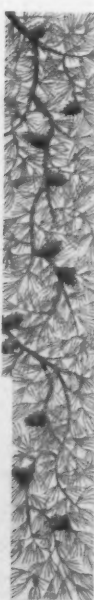
To prevent fires after logging it is required that those who buy the timber shall pile the brush and waste tops, to be burned when there is little danger that fire will spread.



To keep fires from getting into the forests, fire lanes are cut. This one bounds the Arapaho Forest in Colorado. The scattered trees to the left are outside; those on the right belong to the government.



A ten-foot redwood log, felled, cut into lengths, and peeled, ready for the sawmill.



A forest ranger on tree-top watching for fire. The light on the background is snow on Shasta, though in the mid-fire last season.

By paying a nominal sum, anyone can rent a summer camp or cottage site. This one on the Pecos River in New Mexico is in the midst of a country noted for deer and trout.

How Uncle Sam
Woodlot helps
For I Keep

The National Forests returned about three million dollars to the United States. They are being perpetuated through wise use



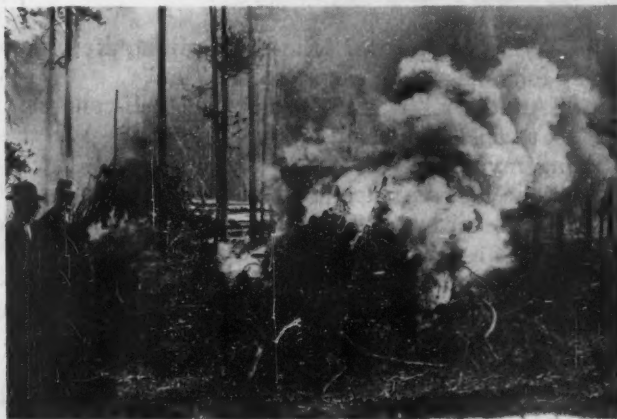
A tie bank from which the ties are hauled down to the flume which carries them out to the railroad, where they are loaded on freight cars for shipment whenever needed on the line.



Cowboys still exist. Here they are on the Coconino Forest, Arizona. Stockmen pay the foresters about \$1,500,000 a year and it is the cheapest good forage in the west.



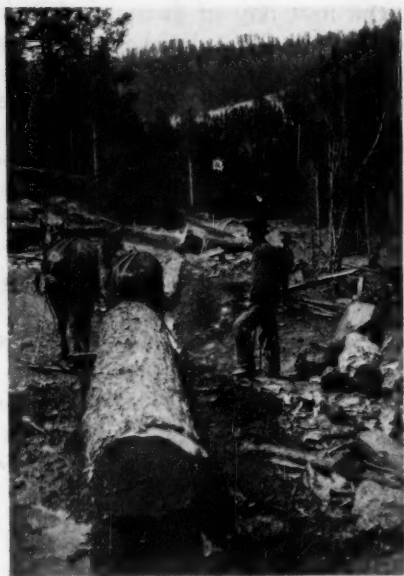
A small sawmill in northern California. Most of the National Forest timber sales are to small operators for local uses; all sales are made on competitive bids after thorough advertising.



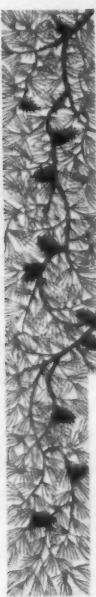
Forest officers burning brush on the Arapaho National Forest, Colorado, after a lumbering operation. By removing the inflammable material the danger of forest fires is greatly lessened.



Government logging means "cut and come again," and there is promise of better timber than before. Unrestricted logging in the foreground and forestry on the hill; yet both areas have been cut by one company.



If the consumer is a settler and needs timber the government furnishes some free. Last year it gave away nearly half a million dollars' worth to help develop farming on and near the forests.



A steam log loader handling yellow pine on the Tusayan National Forest in Arizona.

PHOTOS BY BRISTOW ADAMS

ranger on tree-top lookout for fires. The light patches in foreground are snow on Mount though in the mid-August fire-dance season.

ow Uncle Sam's
odlot helps Pay
For It Keep

million dollars last year to their owners, the people of the
l throughwise use as the basis of big industries of the west.

MEN YOU KNOW—AND DON'T!

A St. Louis Salesman, Who Proved it by Selling Goods Before Breakfast, and Who Believes No Good Man of Forty Need be Out of a Job

By JAMES B. MORROW

HAVING asked every man and boy whom he knew, "Let me see your pocket-knife?"—an odd and precocious practice that began with his learning to talk—Edward Campbell Simmons, aged fifteen, went to see a hardware merchant, when told by his mother that he would have to leave school and hunt for work.

"What can you do?" the merchant inquired, maneuvering for time and an excuse to say "no."

"Anything," was the prompt and self-confident reply, "that can be done by a boy of my size. Where shall I hang my coat?"

"The last sentence," Mr. Simmons, who became the greatest hardware merchant in the world, now says, "got me a job."

A three year contract was made on a sliding scale. The boy, slim, and military-looking, even then, and eager of countenance as well, was to receive \$150 the first year, \$200 the second and \$300 the third.

Before the time was up, however, he concluded to look for another place. The store in which he was employed was too large, he thought. There were forty clerks.

Three men, he heard, had formed a partnership, also to engage in the hardware trade. They offered Edward Simmons, now eighteen years of age, \$50 a month. The bid was promptly raised \$10 by his old employer; and as promptly refused.

"I felt," Mr. Simmons said to the writer of this article, "that my chances for promotion would be better in a small store than in a large one. As it turned out, my judgment was correct.

"The names of the partners were Wilson, Levering and Waters. I was the only clerk, although I wasn't permitted to sell goods. Putting up orders and opening boxes was my regular work.

"You are too young to go behind the counter," I was told. "You are a good boy," Mr. Waters added, "but you are not old enough to be impressive."

"I didn't say anything, though a plan had taken form in my mind while Waters was talking. The porter came to the store at 7 o'clock in the morning. I asked for a key, saying that 6 o'clock suited me better. The partners held a conference, formally to consider the matter. Whether the vote was unanimous or only a majority, I never learned. At all events, I was given a key to the front door—brass and a foot long.

"There were no railroads in those days. Merchants traveled to St. Louis on boats. I argued that the noise of the city, the strange beds and the mental excitement of their new experiences would cause them to wake early in the morning.

"They would get up, I believed, dress, go out into the streets and browse around. Seeing an open store, they would go in, of course. And so it worked out. By and

by, better to expedite matters, I would learn the names of the newly arrived merchants, at the three hotels. Then I would walk the halls, back and forth, until one of them appeared.

"Introducing myself, I would accompany him to breakfast, tell him all about the city and make careful inquiries concerning the state of things in his part of the country. After breakfast, we would go to the store.

"When I had sold \$18,000 worth of goods in one month, my employers acknowledged that I was a salesman. I have always been a salesman and nothing else and I claim no other distinction.

"Wilson withdrew from the partnership. Levering died. I was still getting \$50 a month. The stock of goods was worth \$125,000. Waters had an equity of \$15,000 in the establishment. I had nothing.

"We—Waters and myself—bought the store of Levering's heirs. Being the capitalist, Waters took a three-fourth's interest. The notes we gave totalled \$110,000.

"The new firm made money, but Waters wasn't happy. He said that he didn't want to die in the poorhouse and that my policy of expansion, he feared, would end in bankruptcy.

"I can't stand the pace, Ed," he said one gloomy morning. "I'll buy you out or sell out at the invoice price of the stock."

"That was in 1869 and I was thirty years old," Mr. Simmons went on, in continuing his narrative. "I agreed to give Waters sixty monthly notes for an aggregate of \$275,000. The bargain was made in June and was to be operative on the first day of January, following.

"We didn't say a word about it, even to our friends. Nor did we speak of it between ourselves. On January 1, 1870, I handed Billy Waters the notes and the store was my own.

"Forty-eight hours later, Mr. Lackland, a banker, sent for me. He had heard of the change in the firm.

"How did you pay Waters?" he asked.

"In notes," I told him.

"Why didn't you give him cash?" Mr. Lackland inquired.

"I don't understand what you mean," I answered. "I have no money."

"The bank," Mr. Lackland said, "would have lent you the full amount and, besides, we would have elected you a member of our board of directors."

"I didn't sleep any that night," Mr. Simmons confessed to the writer. "Calling on Waters the next morning I said: 'Billy, what will you take for those notes?'"

"They are drawing six per cent," he remarked, "and that is good enough for me."

"Always provided, of course," I observed, "that the notes are met when due. They will be promptly paid, but you will worry some, I guess."

"Do you want to buy them?" Waters inquired in considerable surprise.

"I do," I assured him.

"Well," he said, "I'll take \$250,000 cash."

"Wouldn't you accept \$25,000 less?" I asked.

"Look here, Ed," he exclaimed, "we are friends. Don't let us haggle between ourselves. I'll take \$250,000. You have twenty-four hours in which to say 'yes' or 'no.'"

"I don't ask for a day, an hour or even a minute," I told him. "The notes are sold to E. C. Simmons, at the price you named."

"The money," Mr. Simmons continued, "was borrowed at Mr. Lackland's bank. Furthermore, I was elected a member of the directorate, just as Mr. Lackland had said would be the case. I made the most promising man in my store a partner in whatever profits should be earned."

"We made \$78,000 the first year and discounted all of our bills for cash. Our profits the second year were \$132,000. The third year I paid the bank in full. And that is the way I got into business for myself."

The day he told the story here repeated, Mr. Simmons and his three sons, owners of the great establishment he created, had 600 traveling salesmen in their employment, and 1,700 men and women; including 365 stenographers, were working in their store and warehouses.

There were 8,000 separate articles in the stock of goods on hand. The pocket-knives alone made a tremendous and dazzling display in themselves—a specialty, perhaps, of the senior member of the firm. The merchandise daily received and shipped would have loaded a railroad train. A catalogue of items and prices, a yearly publication, had cost \$150,000.

"Enthusiasm," Mr. Simmons replied, when asked to what particular policy or personal faculty he attributed his uncommon success.

"Nothing else?"

"That's enough," was his vigorous response. "Enthusiasm," he repeated, "will win at any time or in any place. I'll not spoil the answer to your question by dragging in a lot of things that are obvious to all sensible men."

"But is enthusiasm as big an asset as it was thirty years ago, when business enterprises were small, for most part?"

"Yes, among topnotchers," Mr. Simmons answered. "There will always be a fine fighting chance for the person who loves his work and keeps his eyes off the clock."

"For the man of forty, let us say?"

"No good man of forty," Mr. Simmons said, with greater energy than before, "need be out of a job. If the firm for which he works quits or sells out, other firms, knowing his capabilities and character, will give him work and a chance. But if he is a clock-watcher or a grouch, nobody will want him around."

"Thousands of men," Mr. Simmons went on, "have grouches—it is a common disease of the spirit and the human face. They know they would do splendidly in some other jobs, but not in the ones they have. The grouchy look becomes fixed in their countenances but they are unconscious of the fact."

"They carry the look into the street and take it home at night. It's flung out like a triumphant banner when they are looking for work. 'We are sour on the world,' they declare, by the gloom in which they wrap themselves, 'and we don't care who knows it.'"

"I tell our men to look cheerful, to feel cheerful and to be kind. I can not go into details about being kind—it's a state of the mind and must be felt."

"For instance: I could have received you coldly today and answered your questions briefly or not at all. Instead, I am talking freely and trying to help you along in your business. I advise every one to be kind. Presently it becomes a habit and reduces the frictions of life."

"If there is friction in our establishment, the person who causes it has to find another employer. We have no time registers. Every one is on his honor to come punctually and remain until the work of the day is over."

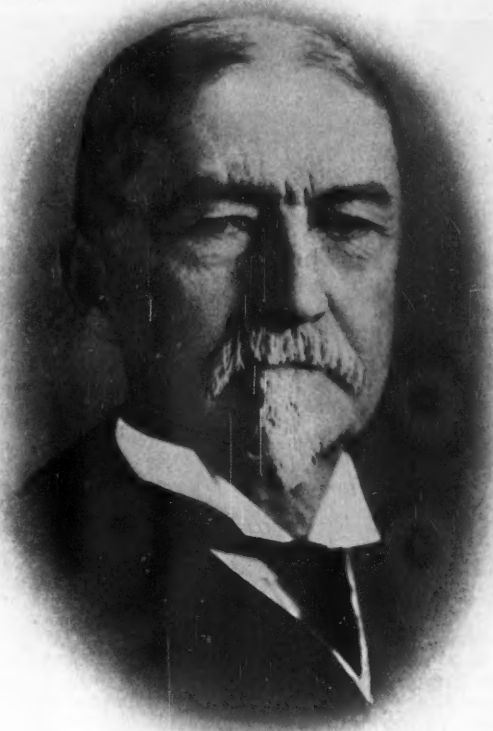
"Do what you are told to do," we say, "and talk about it afterward." The result is that

there is no talk whatever, and consequently, no loss of time nor is there any friction. A salesman comes to me and says: 'I could sell as many goods as Brown if I had his territory.'

"All right," I reply, "I'll let you have Brown's territory. If you fail to sell as much as Brown, however, out you go and I will write the word 'failure' after your name on our records." The salesman invariably says that he will stay where he is. Enthusiasm, kindness, a cheerful face and an utter indifference to the hands on the clock, and no man of forty need be out of employment."

"Don't you often mourn the departure of the good, old, ethical days of the past, when all men were honest and there was no greed in the universe?"

"Business methods nowadays," Mr. Simmons replied, smiling not, but looking serious (Concluded on page 39)



He thinks too much has been said about the sharp practices of business men. He asserts that the present generation of business men is more honest than were the generations of the past. The consumer has been treated fairly. On the other hand, the retailer has suffered somewhat through the trusts. His case, unfortunately, has been put up by politicians and muckrakers.

A Government Fosters Good Trusts

Not Only Fosters Them, Does Australia, but Creates and Sometimes Even Compels Combinations in Behalf of Foreign Trade

By ANSELM CHOMEL

THE Average Man has for so long accepted it as an undeniable truth that democracy (the "d" is small) and trade combinations will not mix, that it

is a shocking experience for him to learn that the country from which he has borrowed many of his most advanced democratic ideas is, at the same time, the friend, the protector and even the creator of business monopolies for the purpose of furthering its foreign trade.

No man, least of all the Average Man, doubts the advanced democracy of Australia. That is the land in which democracy's light is not hidden under a bushel, the land from which we borrowed the Australian ballot system, the land foremost in radical labor legislation, and of bold experiments in popular government.

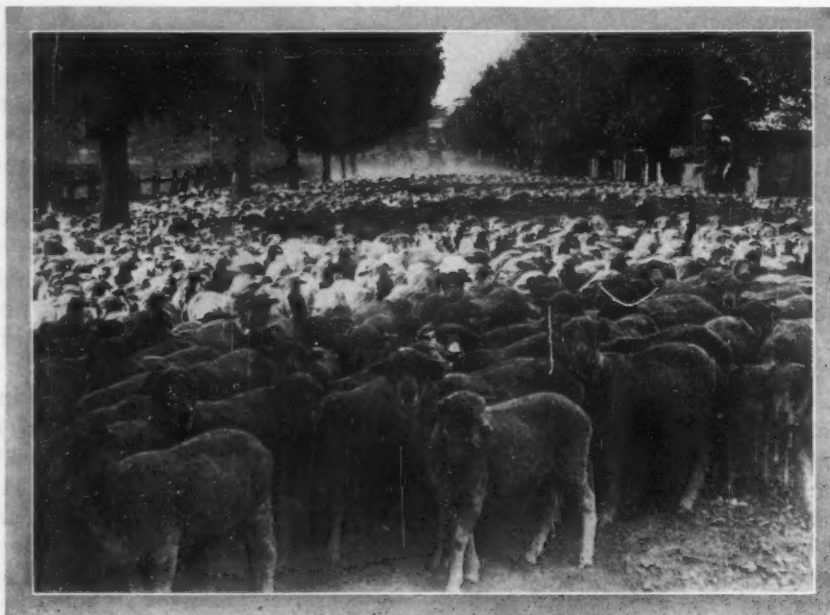
Now, it is a fact that not only does government in Australia permit business men to organize monopolies; it encourages them to do so, and, when the interests at stake are big enough and anybody holds back, it forces him into line.

Take, for instance, the Australian Zinc Producers' Association, organized April 3, 1916, which brought into one group all of the Australian mining companies producing zinc concentrates. This monopoly was organized by the Federal Attorney General, the Honorable Hugh Mahan. The two largest producing companies didn't want to come into the combination; a forty-eight hour ultimatum went out from the government, and before the expiration of that period the organization, including all the Australian companies, was completed.

The purpose of the organization is to keep the smelting of Australian zinc concentrates and the making of spelter within the empire and permanently exclude German and other foreign interests. But, if you are inclined to jump

to the conclusion that the fostering of monopolies by government in Australia is purely a matter of war measures—wait. "Australian business," says Philip B.

Kennedy, American commercial attache, "in spite of democratic policies, is pretty well mobilized. The banking business is divided among twenty-seven strong banks with numerous branches. Unity of action on the part of the banks is common. Public utilities, such as railroads, urban and suburban tram lines, harbor works, abattoirs, woolen mills for the manufacture of uniforms, and numerous other undertakings, are municipal or state owned. Wholesale firms in many cases have branches throughout Australia and



There were only 29 sheep in Australia in 1788; today there are 85,000,000 and all because way back in 1789 Captain John MacArthur, at the risk of "branding on the forehead and loss of the right hand"—the penalty for exporting sheep from Great Britain—bought a number from King George's own flock and shipped them to Australia. Australia's sheep increased her export trade in 1914 by \$114,000,000. Sheep growing in the United States has decreased from 61,000,000 in 1900 to 49,000,000 in 1916, the production of wool declining since 1912. Last year we imported \$68,242,568 worth of raw wool alone. If we should get caught like Germany, we'd have to dress like Adam or Davy Crockett.

engage in many allied lines of manufacturing. Americans coming to Australia find that they have to deal with strong interests having many ramifications.

"The export trade of Australia is also in strong hands. The meat export trade is done largely by a relatively small number of private packing firms, cooperation among whom sometimes takes place. The wool trade is handled mainly by a number of large firms with an extensive organization of wool stores and banking facilities. The mining output has recently been largely monopolized by a comprehensive combination."

If there is any lingering doubt that all this is in line with a well-determined policy pursued in times of peace, consider this:

"The organization of the import and export trade," says Mr. Kennedy, "shows the advantage of integrated concerns, the existence of which is taken as a matter of course."

The zinc producers' association is a co-operative institution, the members of which are pledged to sell the whole

of their output of marketable ore, concentrates, spelter, or electrolytic zinc through the medium of the association for a term of fifty years.

The association is not established for the purpose of profit or gain, as in the case of an ordinary trading company, but as the sole medium for the disposal of its members' zinc products. The capital of the association is nominal as compared to the value of the material that it will market annually. A small commission will be charged on all transactions, and, if the revenue exceeds the amount necessary for a dividend (the maximum allowable is ten per cent) any balance is to be rebated to the supplying companies in proportion to the value of products realized. The head office will be in Melbourne, with an office in London. On the Melbourne directorate the Commonwealth will be represented by a nominee, and the Imperial Government will be represented on the London board. Thus will the public interest be protected.

This great monopoly controlling ores and metals will not be an assured success until additional smelters are financed and erected. The two leading mining companies which resisted the formation of the association based their action on the ground that the zinc concentrates could not be economically treated either in Australia or England.

This ambitious scheme is a unique example of combination under governmental inspiration, of producing companies for the control of raw material.

What has been done in the way of organizing and developing the metal industry in the Commonwealth is told in a statement made on July 3, 1916, by Attorney General Mahan.

"During the past few days the problem of the treatment and realization of the large output of silver-lead concentrates

from Broken Hill companies has been settled for all time. Every mining and treating company at Broken Hill has been brought into the Broken Hill Associated Smelters Proprietary Limited which is now practically a huge co-operative smelting, refining and realization institution, for the treatment of silver, lead and gold

ores and concentrates. In fact, it is the largest metallurgical establishment of its kind in the world.

"A majority of the members have made contributions of capital; and the value of land, plant and equipment will, when present extensions are completed, amount to approximately one million pounds sterling. Those companies that are at present unable to contribute financially have been admitted as 'suppliers' of concentrates, and are placed on exactly the same basis as regards the smelting, refining and realization of silver-lead concentrates as the most important members of this gigantic co-operative smeltery, and provision has been made for these companies to contribute capital when their financial position permits.

"The mine with the small output is placed on almost a better basis than one with a larger output, because it is securing for its small tonnage of concentrates all the advantages and economies of the largest ore-supplying companies.

"The promoters of this co-operative smelting scheme are justly entitled to great credit for their enterprise and



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Two-thirds of Australia's 15,000,000 cultivated acres are in wheat, and the disc plow has been found best adapted to the soil. With the largest wheat crop in her history—160,000,000 bushels—the agricultural areas of Australia faced in 1915, distress and possible ruin. Scarcity of ships caused by war conditions made it impossible to export the plus supply of wheat. At this point, the Australian government formed a pool to market the entire crop, agreeing to purchase wheat at a fair price. The Associated Australian Banks advanced the money in payment for the wheat, upon presentation of script issued by the government.

efforts, and also the thanks of every citizen of the Commonwealth. The practical effect of this company's operations is that the whole of the Broken Hill lead concentrates will be smelted, and the silver-lead bullion refined, in Australia, and the refined metals marketed under the rules and conditions of the Australian Metal Exchange."

While it is impossible to determine whether or not the United States has had to pay higher prices for meat on account of this agreement, it is certain, nevertheless, that the government has felt the effect of this "unusual co-ordination of effort" on the part of the Australian packers; and the American packers, who have not combined for purposes of foreign trade, if they have not actually found themselves competing with this powerful Australian combination for a contract to furnish meat to American soldiers, have, at least, had to be content to see the award go to another nation. The contract must be a highly desirable one, judging from the fact that the Australians have gone to such lengths to retain it over a period of many years. The quantities called for for the year ending June 30, 1915, were 6,000,000 pounds of frozen beef and 200,000 pounds of frozen mutton.

Tenders are called for by the United States for each fiscal year for the supply of frozen beef and mutton for the use of the army in Manila. For some years an agreement has been reached each year between the Queensland Meat Export and Agency Company and five other companies to the effect that the Queensland Meat Export and Agency Company should submit a tender in its own name and that each of the six companies concerned furnish a specified proportion of the supplies under the contract, if obtained by the Queensland Meat Export and Agency Company. Mr. McGhie, who was the manager of the Queensland Meat Export and Agency Company when the agreement was first made, says that it practically amounted to an agreement that the other associated companies should not tender.

The Federal Government has now definitely arranged for the total output of lead from the Barrier to be disposed of through one channel, and it is generally assumed that a similar course will be adopted in regard to Australian zinc products; that is, that a central board will be at once established under Ministerial control to secure stability of market prices, and make co-operative arrangements for obtaining freight

over-seas for both the increasing output of spelter and the untreated balance of Australian zinc concentrates.]

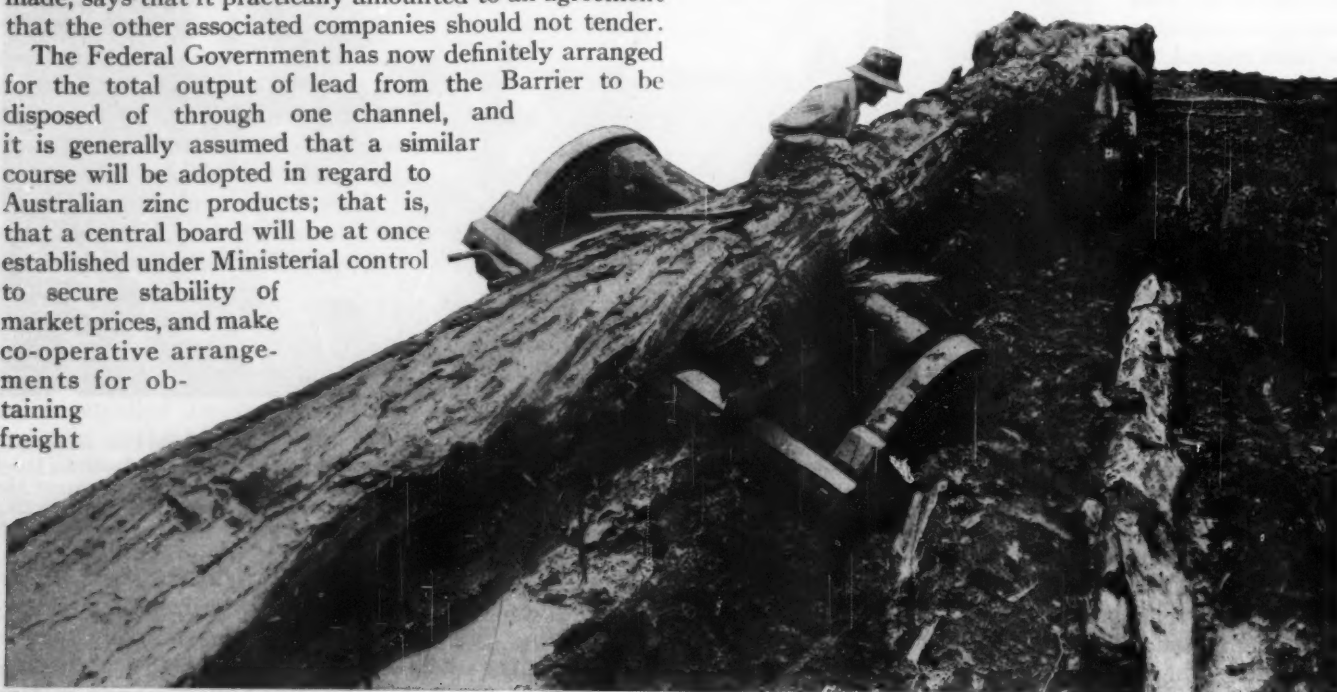
All banks doing business in Australia quote the same exchange rate on London, all charge the same rates of exchange between different cities in Australia, and ask the same rates of interest on loans.



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The kangaroo is constantly hunted in Australia, not only for its flesh and its hide—the meat is excellent eating and a valuable leather is made from the hide—but also on account of the damage which it does by its peculiar method of grazing. The big incisor teeth of the lower jaw clip grass or leaves like a pair of shears. The kangaroo is naturally gentle, timid and inoffensive—cases have been known where they have been frightened to death—but, when hard pressed by dogs, the larger species defends itself by kicking with the hind foot. The powerful claw of the fourth toe will cut a dog like a knife.

The absence of competition among the banks on London exchange is of interest to importers and exporters. The London rate was the backbone of nearly all foreign settlements up to the time of the war. Since the



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Australian woods are exceedingly hard and difficult to work, and this leads to the importation of large quantities from other countries. For the fiscal year ending June 30, 1915, for instance, Australia bought abroad about \$12,000,000 worth of lumber, much of which came from the Pacific coast of the United States. The government, however, to encourage local industry, will buy only Australian timber.

war there has been some direct settlement between the United States and Australia and between Australia and Japan. As yet only the London rate is fixed by agreement. If other exchange should become important, the agreement may be extended.

No foreign bank could hope to get along peaceably with the Australian banks unless it were to come in on the London exchange rate. The Comptoir National d'Escompte de Paris and the Yokohama Specie Bank have fallen into line.

The Australian banks believe that they are entitled to a good profit on foreign settlements. This "gentlemen's agreement" has operated with very little friction.

So much for the attitude of the government towards its own business combinations. How does the American "trust" affect it?

"The Australian government," Mr. Kennedy says, "has been active in investigating the influence in Australia of so-called 'American trusts.'"

"The International Harvester Company has been thoroughly investigated and a good deal of publicity has been given to its organization.

"When Swift & Co. erected a slaughtering plant in Australia through a subsidiary company, the Australian Meat Export Company, investigations were started by state and federal government to ascertain the influence of the 'American meat trust' in Australia. Although several American packers were found to be in the

Australian market, no unfair practices were found.

"The Australian authorities would immediately exclude from the country any foreign company which unfairly restrained trade."

It may seem enigmatic, in the opinion of Mr. Kennedy, to lay stress upon the power of combination in Australia, a country which has been foremost in progressive labor legislation. The tendency of this legislation, however, is to amplify the power of the government in industry, and to make for collectivism rather than for individualism. Business combinations to safeguard special interests have lately been very easily initiated and fostered by the government. Wherever a private interest is threatened, it may expect to appeal to the government, and the most powerful forces will be set in motion.

Australia fully recognizes the advantage of combination in dealing with foreign trade, and she is, apparently, prepared to utilize every resource to aid her own people.

This question of combination for foreign trade, which is so much engaging the attention of governments just now, must be of vital concern to the business men of the United States, because, great as have been the obstacles encountered by them in the past, it is almost a certainty that our foreign trade will have to meet, after the war, more important and powerful restrictions than ever before.



The Old Order of Selling in China Changeth

THE ways of the Far East are changing, unless the Far Eastern Review is mistaken. In the old days, it seems, a man from the West who went to China to found a business, erected a house, built an office, added a warehouse, and put a ten-foot wall around the whole. He then employed a Chinese manager known locally as a "compradore," showed him the goods he had to sell, named what he wanted to buy, and left all the rest to the compradore and fate. The founder, considering his business established, wore a path from his front gate to the club. He never did any direct business with a Chinese buyer or seller and he never learned a word of the Chinese language. It is said that there are scores of men in China today who have lived there for thirty years, who do not know ten words of Chinese, and who have no idea how many provinces there are or how to pronounce properly the name of the cities in which they live.

Within the last two years the comfortable way of doing business in China has given way to methods of less dignity and a great deal more vigor. A few firms, lamentably short on dignity, accomplished as much in a short time as

some of the long-established concerns had achieved with dignity in half a century. Such performances, whether dignified or otherwise, caused something of a revolution. The Chinese language is said to have become in vogue at treaty ports. Stately gentlemen now arise early to keep appointments with their Chinese instructors. There is a deal of talk in foreign business circles in China about direct business with Chinese buyers, and getting travelers into the country to advertise and sell goods. The British Chamber of Commerce even gives instruction in Chinese etiquette, which all will agree has its disadvantages from a Western point of view.

No Chinaman has yet expressed a well digested opinion upon the change. As a matter of fact, the Chinese are probably somewhat bewildered. A Chinese buyer used to go around to the back door of a foreign house and whisper that he wanted to see the compradore's third assistant. He is now hunted out in his farthest retreat by eager salesmen who are armed with dictionaries, interpreters and sample cases and vie with one another for a chance to sell a paper of pins.

The Talking Machine Tells Its Own Story

How It Grew Up from Toy-playing Childhood to a Career of Varied Usefulness as Musician, Teacher and Business Man

By WALDO W. SELLEW

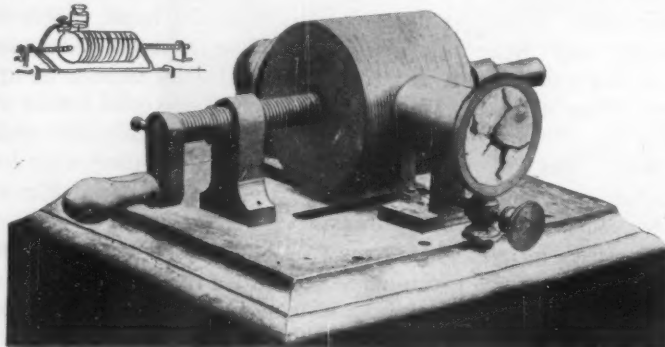
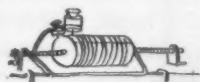
YOU'll find a Swede named Olsen up on the mountain, with a whole raft of white-headed kids. They don't talk any United States, but they don't need to, 'cause there's no one but themself's t' talk to. What for he ever took out a home-stead way up there is past me; but there he is, and he must be making good. He packed in a washing machine and a canner last week;—had a sewin' machine an' a phonygraft a long while ago."

The speaker was a forest ranger directing a government inspector to where he might spend the night, in a trip over the mountains, provided the inspector didn't lose his way. The directions were plain, and the inspector had only to follow a telephone line and some well-blazed trails.

But he thought he was lost when a little after sunset he heard some children singing in unmistakably pure Italian "La donna è mobile." He thought it was queer that the generic "Swede" should be applied to persons so unmistakably "Wop," but when he came to the circle of light from the dining room window he saw the "raft of white-headed kids," and knew they were not Italians. They weren't Swedes either, but Danes; and they couldn't talk English, except a very few words of welcome by the oldest girl, around whose skirts the smaller ones clustered when the inspector rode up.

That night, after a bountiful supper, the inspector heard from the talking machine, the selection from Rigoletto, which the children, parrot-like, had repeated with all its shadings of inflection and respiration, though they did not know a word of Italian. Then he realized as never before, the wonderful value of recorded and reproducible sound. In his own home, back in Washington, he too, had a machine, by which his own children danced, and from which he had derived many an hour of pleasure. But it had not occurred to him what such an instrument must

mean in carrying civilization into the back country, though he had often marvelled that his four-year-old boy, on hearing the first bar of any of thirty or forty classical selections, could name the piece unerringly, and would always know whenever or wherever he heard it.



Here is a facsimile of Edison's first sketch for the talking machine, with John Kruesi's finished product, which he made with many misgivings and deprecatory gestures. But it recited "Mary Had a Little Lamb" as well as the wizard of Menlo could do it.

THIS is the keynote of making good music popular, because popular music is familiar music. The so-called classical music, then, becomes popular as soon as it becomes well-known. The growing audience of lovers of real music is a sure indication that more and more of such music

is being heard by a constantly growing circle. There is a greater interest in concerts; opera performances bring out the "Standing Room Only" sign, and all of the better type of musical productions are well patronized. America is no longer unmusical.

Germany has long been known as the great musical country with musical genius in unbroken line from Bach to Wagner. Germany deserves the crown of honor it has won through centuries of painstaking effort. Music is an integral part of the character of that nation. This was brought about by centuries of careful training and conscious fostering of musical expression.

What Germany took many years to do, America has done in a measure, overnight. Not very long ago America was musically a barren ground. Good artists could be heard in the larger cities only, and if they ever got to the smaller towns, there was little inclination to pay the prices asked as admission. The people did not know what they were missing.

But the overnight changes came when the best music was brought into the home by the talking machine. It is

hard to believe that no place in the country is unreached by a machine which had its first crude beginnings less than forty years ago. Educators, scientists, musicians, business men in their daily and indispensable use of the talking ma-



COURTESY OF BUREAU OF INSULAR AFFAIRS

chine testify that it has passed from precocious infancy to efficient maturity.

HERE is the way it started: In 1877 Thomas Edison was trying out an automatic telegraph which employed bossed strips of paper with the proper arrangement of dots and dashes. When this strip was drawn beneath a contact lever it moved up and down, opening and closing a circuit to send the desired signal over the line. In handling this instrument Mr. Edison moved the strip through rapidly, and as a result the lever vibrated so as to give off sounds modulated by the impressions of varying lengths. Thus, strangely enough, sounds were produced before they were recorded. Mr. Edison reasoned that if the paper strip could be imprinted with elevations and depressions to represent sound waves, they might actuate a diaphragm to produce corresponding sounds.

Speaking of these beginnings, Edison himself describes the first steps:

"From experiments on the telephone I knew of the power of a diaphragm. I had made a try which, when one shouted into a funnel, would work a pawl connected with a diaphragm at the funnel's end. This pawl engaged a ratchet-wheel which gave continuous rotation to a pulley, the pulley, in turn, being connected by a cord to a little paper man in the act of sawing wood. Hence, when I shouted a verse of 'Mary had a little lamb,' the man started sawing wood briskly.

"I reached the conclusion that if I could record the movements of the diaphragm, I could subsequently cause the record to reproduce the original movements imparted to the diaphragm by the voice, and thus succeed in reproducing the voice itself."

LOVE'S RECORD

By CHARLOTTE BECKER

Last night I walked in gladness, hand in hand
With one whose face I had not thought to see,
Save in the twilight shrine of memory;
For one brief space Life loosed her stern command,
And led me back across Time's golden sand
To know once more Love's tender eyes on me;
Last night I breathed the air of Arcady,
And felt Love's magic glorify the land.

Once more I gathered treasure from the night,
Sweet vows, and fragrant roses wet with dew—
Dear blooms that only in Love's garden grew—
And, though these vanished with the dawning light,
Yet in my heart I kept this joyous thrill,
That I may hear her voice whene'er I will!

A cylinder was tried on the new machine, and wrapped with tin-foil because that substance would readily receive the impulses of the diaphragm. John Kruesi, one of the shop workmen, had the honor of making this machine from Mr. Edison's sketch. Pictures of both sketch and model are shown here. John laughed at the idea when they told him what it was for, but being a good workman, he completed the job according to directions, while several of the men gathered around, incredulous, as it was completed

and ready for a test. In the midst of the little group Edison dictated his old favorite:

Mary had a little lamb,
Its fleece was white as snow;
And everywhere that Mary went
The lamb was sure to go.

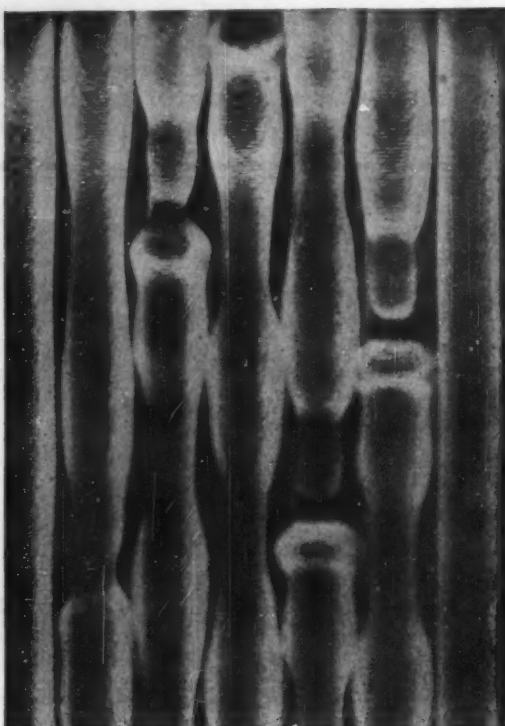
Imagine the carefully enunciated, stentorian declamation, while the audience individually tittered audibly, coughed behind its hands and significantly tapped its temples. Imagine also the shocked amazement of the group when the words were reproduced perfectly. Edison himself said afterwards. "I was never so taken aback in my life."



Four thousand school children in the stadium of the College of the City of New York going through folk dances to the tune and time of a phonograph. A small boy could suck a lemon in front of this band all day and not in the least affect it.

The next day the inventor took his little machine under his arm and went to see the editor of the *Scientific American*, and gave an exhibition, when the editor began to recover he hurriedly dispersed the crowd for fear the floor would collapse.

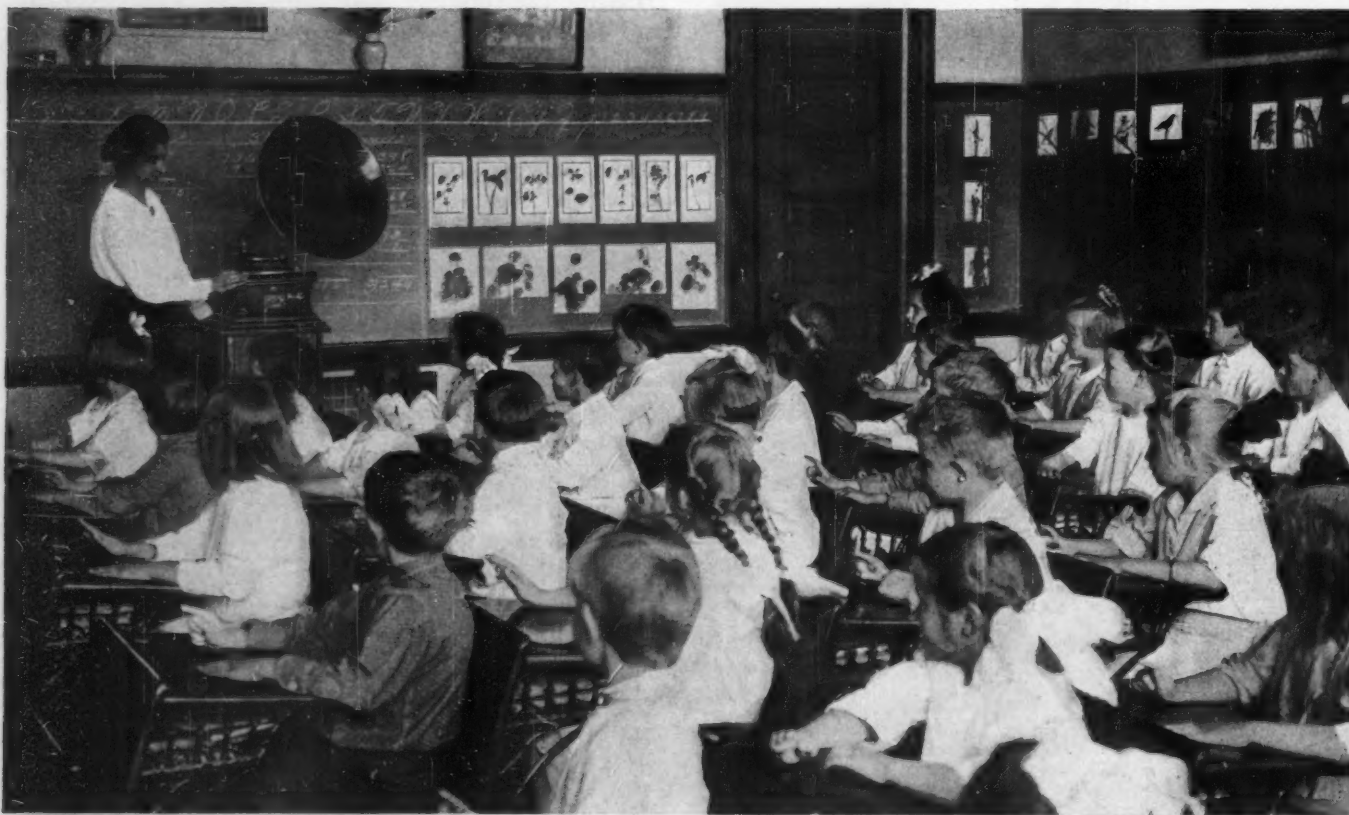
The newspapers printed columns of yarns so fabulous that most readers thought it a hoax. Bishop Vincent of Chautauqua fame, asked the privilege of seeing the marvel. The privilege granted, he immediately shouted into the recorder, as fast as he could articulate, a string of Biblical names to out-chronicle Chronicles,—Zaccur, Izri, Nethanian, Bukkiah, Jesharelah, Jeshaiiah, Shimei, Azareel, Hashabiah, Shubael, Jeremoth, Joshbekashah, Mallothi, Hothir, Giddalti, Romamtiezer, and so on. When the machine slammed the words back at him, the good Bishop threw up his hands and exclaimed. "I'm satisfied! There isn't a man in the United States who could recite those names with the same rapidity."



No, this isn't a collection of old bones; it's a picture of the human voice, that is, of the voice as recorded on a phonograph record. It may be Caruso thrilling an audience in "Aida," or it may be a "coon" shouter yelling "there's a big black ragman coming this way," which shows that a phonograph record is made for the ear and not for the eye.

THE sheer novelty of the device made it an immediate and tremendous success, not only in the United States, but in France, England, and Russia. The wax cylinder replaced the tin-foil, because a minute shaving off of wax gave opportunity for a new record on the same material. This is the method still used on dictating machines for office work. Edison saw the possibilities of this at a time when first enthusiasm for the new toy had waned. Yet for twenty years it remained a plaything, until, in 1896, the graphophone was devised by Chichester Bell and Charles Sumner Tainter. It was upon this more finished product that the talking machine industry was founded. Edison was busy with his electric lighting experiments, and he had but little time to devote to the talking machine.

Soon after 1900 the Victor Company began to produce good music by world artists. Then indeed the public no longer sagged back in its chair, but was leaning



Third graders at the Irving School in Minneapolis listening to classical music and learning its rhythm by marking the cadences with uplifted fore fingers. More than three thousand cities have phonographs in their public schools, and are beginning to consider them as necessary as blackboards.

COLLEGES CAN TRAIN OFFICERS

By Newton D. Baker
Secretary of War

AS set forth in THE NATION'S BUSINESS, a business-like plan of supplying the 50,000 officers needed for the Army, would be for the nation to utilize the equipment of its civil colleges and universities. The heads of these institutions not only realize this, but are ready and eager to join the government in providing military instruction in their schools. If there was any doubt as to where the schools stood that doubt was dissipated at the conference of representative university presidents and War Department officials on October 17th. The spirit of the conference was perhaps expressed in a single sentence by President A. Lawrence Lowell of Harvard, who, while objecting to the program of study outlined by the War Department, said that if the government could not see its way to modify the course, Harvard would do whatever the Department thought best.

There must be a standard of instruction, and it would be impossible to devise a course of training which would be entirely satisfactory to every school. It was to have been expected, then, that the conference would bring out differences of opinion, but after differences were fully discussed no one doubts that the committee which was appointed will arrange a curriculum satisfactory to all.

Military training is now given in a good many of the colleges and universities, but on the whole it is not up to the standard set by the Department for the training of officers in civil institutions. While in some schools excellent work is done, it must be admitted that in many of the colleges the work is perfunctory and of little military value; in fact, that time given to it is practically wasted. I share this opinion with officers who have been active at the summer training camps. This is, however, in no sense a criticism of the colleges. It springs mainly, I think, from the lack of a military atmosphere at the civil college.

It is not the purpose of the Department to give an

officer a pleasant vacation by detailing him as military instructor, but it must be remembered that the Department hasn't always a free hand. In the first place, the needs of the service will not always permit the detailing to schools of men who would make good teachers, and in the second place, the rigid provisions of the law make it imperative that the Department recall a man who is doing good work at a school for the reason that he is no longer eligible to such employment. The University of Minnesota, for instance, lost its military instructor at the very opening of the school year.

Then there has been the difficulty of maintaining the interest of the students in their military training. The experience of the schools shows, I believe, that not more than five or six per cent of the young men who take the elementary work go on to the more advanced work. One reason for this is that the spirit of discipline, which pervades the summer training camps, is lacking in the regular college work, and the three hours of drill a week become in many instances merely an unpleasant routine of college life. This suggests that perhaps it would be better to confine the college work to theoretical instruction in the art of war and arrange for the pupils to attend a summer camp, where, in a month's intensive training in an atmosphere of military training, with nothing to distract attention from the business in hand, the pupil will gain more than in a year's drilling at college. It was also suggested at the conference that the colleges set aside one month during the school year to be devoted exclusively to intensive military training.

Too much stress can hardly be laid, I believe, on the importance of the summer training camp, because, after all, what can be done for years to come in the civil colleges and universities will be only a small part of what ought to be done in this country in the matter of preparedness. Experience has shown that even officers of the militia, who have had years of experience in military work, do not always make good officers, and after a little experience at a summer camp many of them are willing to relegate themselves to the ranks of the privates in order to learn how to be soldiers; they learn to obey in order that later they may be able to command.

The student should have at least three periods of intensive training in summer camps, one preceding his freshman year and one preceding and one following his sophomore year. It is surprising how the students at the summer camps fairly devour the preliminary work and what proficiency they attain.



President Wilson and Secretary Baker unofficially reviewing the National Guard.



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General Scott, Chief of Staff, who presided at the University Presidents' Conference. No, those are not shoes on the horse's feet; the photographer who "touched them up" didn't know the General does not believe a horse he rides should wear shoes.

Prompt obedience to orders is offensive to 99 out of every 100 Americans, and it is, therefore, no child's play to enforce military discipline in a college. It is a much simpler task in the summer camp. This is one of the strongest arguments in favor of confining the college work to theoretical instruction.

Just as a soldier cannot be made in a day, neither can a civil college or university be turned into a military academy in a day. Both must learn military discipline. President Thompson, of the University of Ohio, said at the conference that after fifty years' experience, they were learning to take orders from the War Department.

In the event of war, we should need men greatly, for instance, in transportation, in ammunition factories, in bridge building and in other phases of engineering, and

I must insist again and again upon the necessity of intensive training in these studies as well as in the purely military subjects. If we are going to succeed in this undertaking the students who enter the reserve corps must understand the serious import of what they are doing.

I want to repeat what one of the university presidents said at the conference, because it states so well the position of the Department. He said that it would be better for the colleges to turn out 100 thoroughly trained commissioned officers than 500 competent to be only non-commissioned officers, and that no man should be commissioned as a second lieutenant who was not competent to lead a company, because in the stress of war he might find himself in command of his company.

A CITY COURTEOUS

By Ralph H. Faxon

Decorations by Chas. E. Howell



THE American city through its leaders has come more and more to appreciate that a community has a reputation and a character as has an individual. Just as a man has a name for being clean and enterprising and courteous, so a town is known as clean and enterprising and courteous. Only those concerned lump the qualities and call it a "live

town." Just as a man is slovenly, selfish and boorish so a town may be slovenly, selfish and boorish and it's called a "dead town." One gets into trouble trying to put a finger on the qualities that give character to a town—or to a person either, for that matter. So is the combination, the result, indefinable. Some call it "spirit" and let it go at that. Whatever it is that makes up the spirit of an institution—whether civic, religious, educational or business institution—one of the basic ingredients is courtesy.

Mr. Faxon has been responsible for the development in three towns, at least, to the writer's knowledge, of an admirable civic spirit. He lays great emphasis on the quality of courtesy, and tells us why in this article.—EDITOR

THIS isn't the usual story of population, public buildings, prosperity, payroll. It will leave the axiomatic to deal with something more axiomatic.

This is the story of a Town concentrating on Courtesy—making of Politeness a purpose.

And the Town that is doing it, and doing it at a profit, is Des Moines, central city of the Mid West.

There is a verse in Proverbs which runs: "Unless there is vision, the people shall perish."

Des Moines is genuinely striving to be The Town With A Vision.

This vision has to do with things that build up a community—cheerfulness, decency, cleanliness, hospitality, courtesy.

It is extending collective hospitality to the visitor—just that warm, human sympathy and interest that one individual extends to another.

Plebian or patrician, is it not so that when you go a'visiting you are always struck with the cordiality, or lack of it that you meet with in the household where you visit?

If the doormat reads "Welcome" in showbill type, and the host or hostess greets you with outstretched hand and cheerful word, and livens your stay with the warmth of fellowship, you go away with feelings aglow and a comfort that knows no rude awakening.

That man or woman who contributes to this fine sentiment is thereafter your friend, and nothing can rob you of the memory of the things done unto you in the name of Hospitality.

Why cannot a Town receive its guests with the same spirit?

It can.

But how many Towns have thought this out along organized lines?

How many civic and commercial bodies, in the heat and hurry over paving Main Street, building a boulevard, pulling for that new factory, helping Bill Jones finance his worrisome venture, or steeped in the deeper problems of the cafe's yearly losses, or the high strain of work and the low rate of dues of the organization, or the seven o'clock closing hour of the retail stores which promise to abide and then try to duck—how many organizations, I ask, have ever seriously started a Town Program of Hospitality and tried with one heart and mind to carry it out?



Now I am according to Des Moines no unusual or extreme virtue in anything. I am modestly claiming, however, that this same Good Old Town has a definite purpose in life, which is to be kind to the stranger within the gates and send him away rejoicing and glad that he came.

How is it done? In many ways. In the first place, there is maintained, through the influence of the Des Moines Chamber of Commerce, but aided and abetted by every other civic organization, a Convention Bureau.

The job is twofold: To raise something more than \$10,000 a year; and second, to spend it honestly and legitimately, but purposely.

Upwards of one hundred conventions will have been held in Des Moines by the time the holidays are here and gone. They run all the way from the modest little gathering of simple folk—who don't necessarily invade the retail stores or swell the hotel and cafe receipts,—up to the great International Christian Church convention with 10,000 people, the State Teachers' Association with half as many, and the like. But point number one is the fact that a bunch of visitors, mostly strangers, is in town! That's the thing that counts!

It counts big, too. There are not only the Official Greeters, be-badged and be-ribboned and be-smiled, with the Key to the City firmly grasped in one hand, but there is the Average Town Citizen who sees that something is going on. There are the young chaps who are used as a sort of entertainment committee. There are the hotel managers and clerks. There are the newspapermen, the bankers, the business men, the Boy Scouts, the Women's Federation of Club representatives where necessary, the streetcar-men, and all.

Then there are the lunches and smokers and dinners and buffet suppers and things—not the stilted, stiff, formal nightmares you have in mind, but delightful, informal, simple family affairs that cheer and warm. Why, many men have "found themselves" in the art of entertaining; men not with ready eloquence and oratory, but men with simple, cordial notes of welcome and sincere fraternalism. Point number two that counts!

The month that this story is written, sixty-odd Louisianians—bankers, college professors, newspapermen, plain farmers, men, women and children—invaded this state athirst for agricultural lore. They visited farms, State Fair, State Agricultural College, cities and towns, and filled themselves full of information. When they foregathered in Des Moines before starting for their happy Southern homes, they told at a dinner given for them by the allied civic organizations of Des Moines how the busy North and Midwest had shown them a brand of hospitality which even the notable South couldn't beat! Don't you suppose that sort of thing inspired the bankers and businessmen and tired commercial organization chaps who played the part of host? It did, indeed. It filled them with a keen desire to go out and do it again!



The mere vulgar fact that the same Louisianians are now buying tens of thousands of dollars' worth of prize cornfed livestock for breeding purposes down South is not to be mentioned alongside the inspiration gained by the local entertainers, nor is it to rob the entertainers of the credit of their

kindly act of hospitality.

Two young men of Des Moines—they shall be nameless for the purposes of this story, and yet their deeds and acts make them leaders—one a newspaperman, son of a worthy sire; the other an insurance man full of public spirit, are the king pin hospitalers. They are accustomed to talk by the half hour at almost any committee, board, or annual meeting about the good this hospitality and courtesy is doing for Des Moines. They quote "bread cast upon the waters," "the good men do," and all the rest of the chapter. And they are the keynoters of the modern day in Des Moines. They have their following. They have written a platform upon which all the contributing citizens of Des Moines, with varied rivalries in business and profession, can ride in on!

Another Des Moines organization, the Greater Des Moines Committee, exists almost solely for the transaction of these acts of hospitality and to do about a half dozen big, outstanding things each year.

The boulevard system has been created; the park system enlarged; the traffic problem tackled; the recreational part of municipal life reshaped; the streets mended; the information bureau established for the purpose of tucking 5,000 tired and dusty State Fair visitors into their little beds each night; the great Coliseum and the somewhat smaller Auditorium constructed, the beautiful Capitol Extension Park created, the Beauty Dam and the concrete bridges and the art gallery and the rehabilitated public library and the churches and colleges and Civic Center—all these things have been done for two reasons: First and foremost, to please and inform and make happy the incidental visitor; secondly, to educate up to a high and fine standard the men and women and children—especially the children—of Des Moines to see and feel and live better things, and to make the succeeding generation outstanding because of its Service to visitors.

Service—that's the thing, after all!

Service and Hospitality—these two go trailing down the avenue of Des Moines civic life a pair of twins, a useful twain, doing good and leaving a trail of good behind; leaving inspiration in the wake; and making Des Moines, Central City, stand out just a bit sharply defined, just a little silhouetted, among its fellows, and all because of its courtesy.



BERT ALEXANDER LONGSHOREMAN

But That was Twenty-two Years Ago; Today It's President Alexander of the Pacific Steamship Company

By MABEL ABBOTT



OR a genuinely dramatic episode in the great moving picture of American business, attention is respectfully called to the case of H. F. Alexander, of Tacoma, Washington, who, twenty-two years ago was a longshoreman on the Tacoma docks, is now, at the age of thirty-seven, head of the Pacific Steamship Company, with a \$12,000,000 fleet, and as such, the dominating figure in

Pacific coastwise shipping from the Arctic Circle to the Tropic of Cancer.

The Pacific Steamship Company is a recent consolidation of the two largest companies on the coast, the Pacific Coast Steamship Company and the Pacific Alaska Navigation Company. The announcement focused the attention of the public on a new and striking figure that has appeared on the screen of "big business."

H. F. Alexander is a shipping giant literally as well as figuratively. He has big muscles on a big frame. He moves with the unconscious strength of an elephant and the lightness of a cat. It must have been a joy to see him juggle freight.

He was made a longshoreman in 1893 and 1894—the years that made a great many people in Tacoma and elsewhere do things they had not expected to do. Alexander's father and grandfather were Harvard graduates, and the boy was getting ready to follow in the path of tradition, when the crash came.

He had to earn money at once. He had "got his growth" early, and was as tall at 14 as he is now,—an overgrown youngster, with eyes somewhat damaged by too much study. So he made for the waterfront to sell his strength.

He was set to trucking in a warehouse at 20 cents an hour, and soon afterward became a longshoreman on the wharf outside at 40 cents. He stayed with the job until things began to happen, in about the following order:

First, when he was 17 years old, he obtained a place as clerk for a Tacoma shipping firm.

Three years at this and then another position, with the Commercial Dock Company of Tacoma. In the same year, he obtained financial backing and bought the company, becoming its manager. He was made president when he was 21.

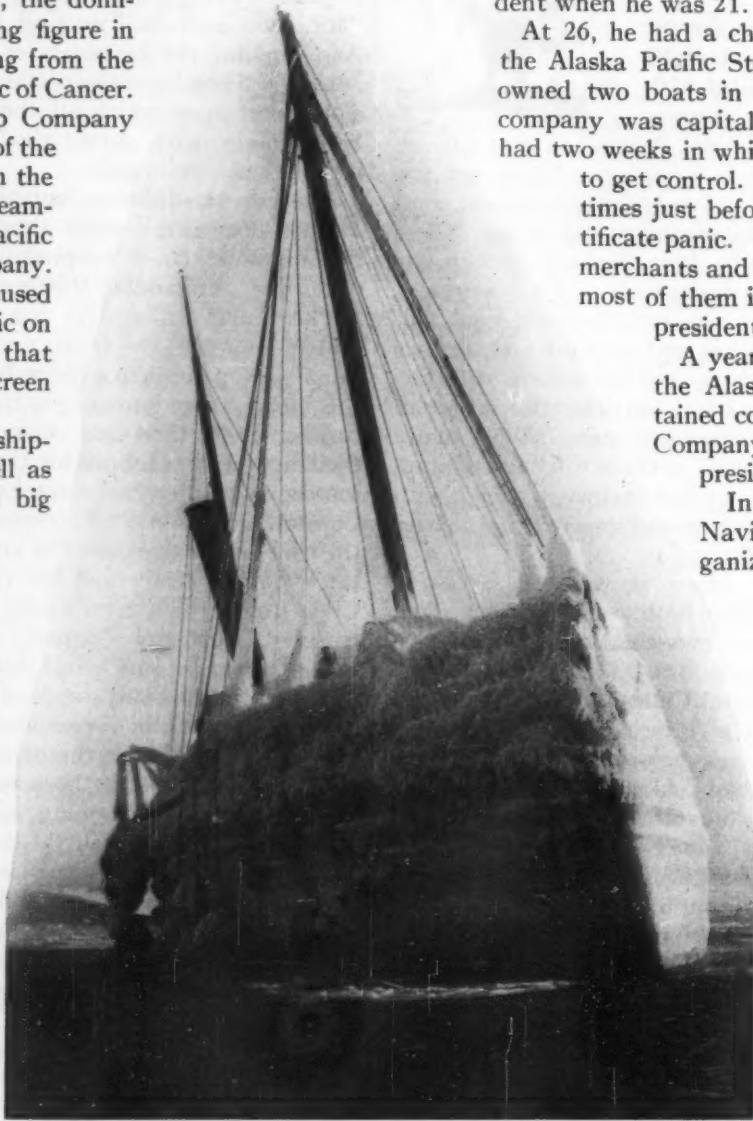
At 26, he had a chance to get an option on the Alaska Pacific Steamship Company, which owned two boats in the Alaska service. The company was capitalized at \$500,000, and he had two weeks in which to raise enough money to get control. This was during the hard times just before the clearing-house certificate panic. He raised the money from merchants and shippers and business men, most of them in Tacoma, and was made president of that company, also.

A year after the organization of the Alaska Pacific, Alexander obtained control of the Alaska Coast Company and was elected its president.

In 1912 the Pacific Alaska Navigation Company was organized as a holding company, with Alexander, as usual, as president. The combined fleet became the "Admiral Line."

Meanwhile, though the career of the young shipping wizard was attracting the attention of all who understood the coastwise situation, he was not taken as seriously by all his townspeople as by the few who had had the vision and the courage to back him. After all, he was only "Bert Alexander," former longshoreman, a boy whom they had seen grow up along the waterfront and organize companies "on a shoestring." What chance had he with the old hands at the transportation game?

"They'll eat him alive," was the consensus of opinion.



One of the things an Alaska shipping company has to reckon with; the wreck of the S.S. Farallon, at low tide, taken four weeks after the wreck, Cook's Inlet, Alaska.

However, the Admiral Line was not eaten alive. It prospered and became famous for certain specific things. Meals were one of them, and a particular and personal kind of courtesy was another.

Courtesy is the Alexander trademark. He has written a set of variations on the theme which is worth copying. It is printed on the menu cards of the Admiral Line, and also hangs, framed, in the company's office.

Of the practical value of this principle, Mr. Alexander says, "It was the go-to-hell policy of some of the old companies that really made it possible for us to butt in. They went on the principle that if a man wanted to send some freight to Alaska and they happened to have the space, they'd take the freight; if not, it didn't make much difference. We go on the principle that we'll get his freight up for him some way.

His office in Tacoma overlooks the docks where he trundled a truck 22 years ago. Only a little way down the bay, the warehouses and wharves of the first company he headed, the Commercial Dock Company, and of the Pacific Alaska Navigation Company and the Pacific Coast Steamship Company, out of which the bigger concern with the simpler name has grown, lie end to end along a half mile or so of waterfront.

"From Nome to San Diego," he told a reporter who asked him the extent of the new line, "—but we won't stop there."

WANTED—UNFURNISHED HOUSES

(Concluded from page 22)

and much depends on niceties of adjustment. It is fatal to the success of any housing plan if a worker feels that he furnishes income not only through his labor when he is awake and working, but furnishes additional income to his employer also through rents paid for the time he is idle or asleep. Even though accommodations are better and rents are lower in a "company" house, a worker who has this feeling will prefer to live in poor quarters, far from work, and at a higher rental.

At the same time, where good relations exist, and there is the right *esprit de corps*, loyalty, and mutual understanding, this is a most sure and satisfactory plan. At Goodyear Heights, Akron, Ohio, the employer furnishes the houses in a garden city of some 400 acres, and the houses and lots are sold at cost, on the instalment plan. In Waterbury, Connecticut two concerns are building desirable houses, and the attention of the whole city has been drawn to the project. What is needed there is joint action and interest of manufacturers and business men alike. For the present the manufacturers are going it alone, and it will be interesting to see how far they will get.

In Kenosha, Wisconsin, on the other hand, the movement had the approval and support of all the business interests, from the very start. There they are building detached cottages of five or six rooms, and nowhere is better promise than that held out by Kenosha. The work is on a business basis, yielding a good return; it places no dependence on philanthropy or charity; it is being done by the entire community for the benefit of the entire community; it is free from any embarrassing taint of paternalism or embarrassing relation of employer and employee. The method of Kenosha seems applicable

almost anywhere, if the same forces can be used.

In Washington the movement was somewhat philanthropic, though the Sanitary Housing Company pays a five per cent return. It started in a sociologic effort to do away with unsanitary alley dwellings of negroes, at once an eyesore from the back windows of residences which fronted the streets, and a bad health risk for the whole community. Some of the alleys have been turned into residence courts; one, notoriously bad, is now an interior park.

Bridgeport's plan and all the others are worthy of watching, and of imitating as soon as their good points are established. All persons in a community should feel responsibility for success, but we are likely to find the local chambers of commerce the first to fully realize the responsibility and to take action. They have begun to realize the economic value at least, and they know that satisfied working forces are the basis of industrial growth. Naturally, a chamber of commerce should work hard for any movement leading to the creation or betterment of local industries. The solution, however, cannot be had upon simply selfish lines; a vision and a sense of the obligation to serve must be coupled with common sense economic principles. Either alone is likely to fall short of fulfilment, and fulfilment means moral, social, industrial, economic advance.

MEN YOU KNOW—AND DON'T!

(Concluded from page 27)

"are infinitely better than they ever were. Men have found out that it is not only possible but profitable to follow the Golden Rule in all the matters of life.

"It was the custom, when I was a traveling salesman, to buy drinks and cigars for one's customers; also to show them the sights when they came to the city. Such things are done no more; they would not be tolerated.

"I insist that each of our traveling salesmen shall establish a home in the center of his district so that he can be with his family over Sunday. Once a year I tell all of them, in one way or another, that they are expected to return to their homes each Saturday as wholesome morally as their wives and daughters.

"Then the old way was to sell a merchant goods whether he needed them or not. The scheme was to pile up his shelves with merchandise, salable or unsalable. We do not sell a man anything now that he can not dispose of inside of four months.

"Helping the merchant has become a principle of good salesmanship. He is counseled as to the quality and the quantity of his purchases. I cut an order down this morning, telling the merchant he had bought too much of a certain line of articles.

"A great deal has been said about the sharp practices of business men. I assert that the present generation of business men is more honest than were the generations of the past. The consumer has been treated fairly. On the other hand, the retailer has suffered somewhat through the trusts. His case unfortunately has been taken up by politicians and muckrakers.

"Financiers have attempted to get me into a huge combination, with our establishment as the basis of a merger, but I have said: 'Get behind me, Satan.' This

business is for my three boys. I would rather die with the reputation to which I am entitled—and there is no egotism in saying it—than to have the wealth of Carnegie or Rockefeller."

"You spoke a moment ago, of the politician," Mr. Simmons was reminded.

Without raising his voice, without whacking his desk with his fist, Mr. Simmons, gray-eyed and unemotional, said: "And I shall speak of him again and say that he is often a scoundrel and a grafter.

"Public opinion rules this country," he continued. "We should be careful, therefore, concerning those who undertake the work of creating public opinion—whether it is created by intelligent, sound and patriotic men or by muckrakers and demagogues.

"I am a shipper of freight but I declare nevertheless that the treatment our railroads have received in the past has been shameful and dishonest. There are 6,000,000 acres of wild lands in Texas—fine lands, capable of the highest degree of cultivation. Cities and towns are waiting to be built on these lands.

"They are fifty miles, however, from railroads. No one wants a farm so remote from the means of transportation. Nor will men of money build railroads to or through such idle lands, because the politicians will not permit capital to earn, even prospectively, more than four per cent.

"I believe in the strict regulation of our railroad corporations, but I am opposed to a policy which halts enterprise, keeps money locked up in bank vaults, deprives thousands of gainful employment and lets wild grass grow where there should be wheat, corn, cotton and hay."

From his boyhood up, Mr. Simmons has not been robust, although sickness rarely has put him to bed. He eats an apple every day and for an hour each evening plays auction bridge, "but never for money," he is quick to explain.

Frederick, in Maryland, was the place of his birth. His father was an invalid the last fifteen years of his life.

"But my mother," he said with a proud light in his face, "was an extraordinary woman—enthusiastic, industrious and wise. She it was who gave me inspiration.

"We moved to St. Louis when I was seven years old. My mother's brother sent us money for the journey. I didn't attend school regularly after we settled in Missouri.

"The schools were poor and, besides, I hadn't any clothes. Mother (and he tenderly spoke that great word) taught me at home."

THE STORY OF THE TALKING MACHINE

(Concluded from page 34)

well forward listening intently. From this time on it becomes a difficult problem to say which of the uses of the phonograph was paramount. Please note that word "uses," for use supplanted mere entertainment. Education largely took its place. but

education combined and interwoven with entertainment. In music, for example, the education came subconsciously, being absorbed without effort, in the process of being entertained. It has made music a part of life, and has stimulated the desire to create music.

IN the field of education there was originally some objection to the talking machine, just as there is today an objection to the "movie" as an educational adjunct. Some of the older generation maintain that too much is done for the student of today, that we tell him instead of teaching him. Educational leaders of an outworn day have degenerated into common scolds in their denunciation of the modern devices of the talking machine and the motion-picture machine as giving a machine finish to the art and science of teaching. It seems strange now that most of the opposition to the talking machine in the educational field came from music teachers. Yet vocal students use the phonograph to study the phrasing, expression, and enunciation of the great singers. Olsen's white-headed kids, through the imitative instinct, learned this without realizing it. Operatic stars employ the phonograph to criticize their own singing. Titta Ruffo, the great baritone, is said to have declared that he learned more from his talking-machine than from his teachers.

Now the school value of the phonograph is everywhere acknowledged. More than three thousand cities in this country have them in their public schools. New York alone has 459 to use in connection with physical training, and this does not include those bought by individual schools. They keep time in marching to assemblies, they lead concourse singing, add to entertainments; folk dances, drills, calisthenics are all conducted with their aid.

Music is given its place in psychotherapy, or the treatment of sick souls. The phonograph is the only source for any and all types of music at will. The wounded in Europe's war hospitals have reason to be thankful for it. One French soldier, wounded at Verdun, wrote back to an American benefactor "I could not get the pounding of the guns out of my ears until I heard the old folk songs on the phonograph." The captain of the German underseas merchantman "Deutschland" told how the talking machine helped while away the time when they were submerged in the danger zone.

It civilizes the ignorant Igorot; it aids the American business man,—it is here to stay and its manufacture is an established industry. In 1899 the product of this industry was worth two-and-a-quarter millions; in 1909 it was worth eleven-and-three-quarter millions. Today twenty millions would measure the value of the output, and the prosperity of the talking machine business is founded on the rock of combined musical value, educational purpose, and commercial use, which, in current slang, is "going some" for the nursery-rhyme toy of comparatively few years ago.

SUGGESTION FOR A PANEL IN ANY COMMERCIAL CLUB ROOM

It ain't the guns nor armament, nor funds that they can pay,
But the close cooperation that makes them win the day—
It ain't the individual nor the army as a whole,
But the everlastin' team-work of every bloomin' soul—Rudyard Kipling

A Plea for the United States to Show at the Lyons Fair

By President M. P. Peixotto,
American Chamber of Commerce, Paris

MY long residence in France, and the opportunities it has afforded me for the study of American conditions abroad, especially since the war began has brought home one salient fact: American goods are needed in Europe.

France, the allied countries, the neutral countries,

The fact that our nation—the greatest and wealthiest of neutrals—had no representation last year was a source of keen disappointment to me and to the other members of the American Chamber of Commerce in Paris.

American business men should realize that the Lyons Sample Fair will give them contact with buyers from Italy, Spain, Holland, Switzerland, Russia and all the other exhibiting countries. To give an idea of the buying power of the Lyons Sample Fair, it may be noted that the Cotton Goods Association of Milan, which purchases for a large number of Italian concerns, represents an annual buying power of over \$100,000,000 for goods distributed throughout Italy and Italian dependencies.



Attending the 1916 Lyons Fair and the booth of a Swiss exporter.

all offer markets for American products. The allied nations are today working with one single purpose—to win this war. Every effort of every corporation, of every individual is directed toward the one end—victory. This concentration of effort toward one end has, to a great extent, hindered commercial manufacturing progress. With a farsightedness that is characteristic, the French have already laid plans to make their country a clearing house for the world's business. This brings me to speak of the Lyons Sample Fair.

The Lyons Sample Fair is an annual reunion of all the great French manufacturers, and also those of other countries. It is open to everybody. This reunion gives its exhibitors the opportunity of showing their products to buyers from all over the world and of booking orders from the samples displayed.

Last year 1,342 manufacturers, representing France, Italy, Great Britain, Canada, Russia, Spain and Portugal, did an aggregate business of \$10,000,000 during the two weeks that the Fair was open. More than \$8,000,000 more was refused because of inability to make deliveries.

The great success of the 1916 Fair, together with the fact that 570 of its exhibitors re-engaged their booths, presages a still greater success for that of 1917 which will be held from March 1-17 inclusive. Publicity campaigns are being inaugurated in all allied countries.



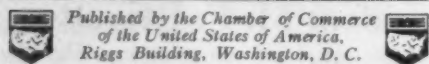
This Fair is not an exhibition in the ordinary sense of the word. It is a commercial proposition, pure and simple. Its booths are permanent structures, so arranged that their exhibitors may have a show-room and sales-room, and, if they desire, a private office as well. Only commercial men are interested. No goods can be sold at retail, orders being booked in wholesale quantities from samples exhibited.

To my mind, it offers an opportunity for concentrated sales effort to those who wish to extend their market. It offers, furthermore, a great patriotic opportunity for Americans to place American business on its proper footing.

I want to urge every manufacturer who reads this article to stop a moment and think of the tremendous opportunity that I have outlined. I want to ask every manufacturer who reads this to get in communication with Mr. George B. Van Cleve at 1790 Broadway, New York, who is chairman of the American Committee and is equipped to give detailed information.

THE NATION'S BUSINESS

A MAGAZINE FOR BUSINESS MEN



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THE NATION'S BUSINESS is the monthly publication of the Chamber of Commerce of the United States of America and, as such, carries authoritative notices and articles in regard to the activities of the Chamber, its Board of Directors and Committees. In all other respects it is a magazine for business men and the Chamber is not responsible for the contents of the articles or for the opinions to which expression is given.

WASHINGTON, NOVEMBER, 1916

NATIONAL CHARACTERISTICS, — good, bad, and indifferent,—become concentrated in war and show themselves for what they really are. The sacrifices, the physical and mental suffering, and the necessity of paying to the uttermost in all ways in which men can expend themselves refine away affectations and mannerisms, and bring a people's real metal to its greatest purity, whether it be lead or gold.

The confusion of war largely conceals the development of national traits that is occurring in belligerent countries. But peace will soon disclose forces which with new power are to have a place in world relations and world commerce. How the interplay of these influences will affect the commercial fortunes of neutral countries can scarcely be foretold.

Neutral countries, too, have had enough vicissitudes to increase their unity of spirit and purpose. Curiously enough we are told upon high authority that the United States alone cannot achieve the efficiency that would seem requisite for the post-war period, because forsooth we have grown so abandoned in wayward habits that we will not submit to a "centralized government of competent men." The idea is that some sort of divining rod for ascertaining the persons who are absolutely competent in a scientific sense should be used and these men should forthwith set about managing the affairs of all the rest of us. The author of the scheme apparently knows his United States, for he declares with emphatic regret that for such a preposterous people there is no hope of economic salvation. In this he overstates his case; as a matter of fact, collectively and individually, we only want to see that divining rod and find out how the contraption works!

This insatiable curiosity of ours does not constitute our only national trait, either. We have a sense of humor, for instance, although several people across the water steadfastly refuse to admit it. Besides, our travels abroad during the

last few years have had their effect. We are becoming nationally jealous of our good name and equally ready to resent unwarranted slurs cast upon American goods and American ways by competitors who seek merely their own unscrupulous aggrandizement and to take in hand any of our compatriots whose ideas of business ethics do not conform to our national standard.

The quality of our goods has been proved by the extent to which our competitors have copied many sorts. Our ability in the technique of exporting is

THE NATION'S BUSINESS

As Reflected in the Month's News

National Traits and the War

Economic Pacts Bumpety Bumpety

Capital on Every Corner

Wanted—A British Trade Bank

Algarrobin—It's a New Dye

Lumbermen Scramble Themselves

demonstrated every day to all parts of the world by American houses that have turned their attention to it. In whatever commercial contests that come with peace we shall scarcely be a weak-spirited people.

ECONOMIC ALLIANCES continue to get their European advocates into difficulties. New Zealand wants to sell the products of her soil in markets where they will fetch the highest prices, alliance or no alliance. South Africa would like to know how her enemies can pay indemnities if they are to be hamstrung economically.

A SELLER'S MARKET brings vast peace of mind and deep contentment to the men who do the financing of modern industry. Two years ago it took a stout heart to contemplate the task of raising new capital. But circumstances alter cases. From being an illusive thing about as hard to come at as the unicorn or the five-toed horse, it became positively ingratiating; it wanted to be invested and instead of seeking seclusion in out-of-the-way places, it was eager to be exchanged for bonds and notes. Undoubtedly there is still abroad in the land many an unsuccessful seeker after capital, but some parts of industry report that they have now been financed so satisfactorily that they will not for some time have to bother about the treasurer's office or obligations falling due "week-after-next."

So far as financial condition goes, many central electric stations could hibernate through the winter.

Prior-lien bonds of railways have about disappeared from the market, and so far as they are to be had at all they sell upon a basis around four and one-half per cent whereas foreign governments face a cost of six per cent for the borrowing they do here. Someone stopped to wonder why the railways do not now seek new capital. Thereupon a wiseacre took pencil and paper and demonstrated that six representative roads have a hundred million dollars of ready cash in hand, and that most of the railways are meeting current needs without thought of borrowing. The same wiseacre paused, however, and agreed he could not explain about the costly extensions of terminal facilities which many roads will have to construct pretty soon.

A BRITISH TRADE BANK is wanted in England, according to a committee that has reported to the Board of Trade. The main purpose is to provide financial assistance to British manufacturers in order that they may take advantage of opportunities in foreign trade during the reconstruction period which will follow the war.

Beginning with five or ten million dollars in capital, this institution would make advances for such extensions and new equipment as British manufacturers might need and would assume the financial obligations in connection with their export transactions.

NEW DYES have appeared in several quarters of the world. The latest is the product of an Argentine chemist, comes from the carob tree, and by itself gives a light brown color on cotton, wool, and silk. Incidentally it rejoices in a resounding cognomen—algarrobin.

COOPERATION IN EXPORTS is not altogether awaiting new legislation by Congress. Lumbermen on the Pacific coast and in the southern states have decided to lose no time in organizing cooperative selling agencies for their export trade. The Douglas Fir Exploitation and Export Company, through which most of the mills producing Douglas fir in Oregon and Washington will conduct their export business, has opened general offices in San Francisco. Of sixty-one principal mills doing an export business, about fifty apparently joined the new enterprise at once, by subscribing to stock, and several more are considering cooperation.

A committee representing manufacturers of southern pine has likewise settled upon a plan for cooperation in

export trade. A centralized export selling agency will be the device. Although participating in such an agency, each lumber manufacturer will maintain his individuality and the individuality of his brands.

Very obviously the lumbermen who are forming these enterprises have legal advice that existing law does not interfere with their plans. They have had their proposals before Federal officials, too. Even though they may expect the Webb bill to become law in the winter, and expressly sanction cooperation in export trade, they presumably believe that conditions abroad, including large purchases of lumber on behalf of foreign governments, do not permit delay. Estimates of the lumber Europe will need have run as high as a value of one billion dollars in the first year after war ceases. If European governments should themselves undertake to purchase the large supplies of lumber which their countries will demand our lumber exporters would probably not relish standing singly before such buyers.

Lumbermen in British Columbia, whose problems are very similar to the difficulties of mills south of the international boundary, have been showing interest in the new association. They have even given some indication that they might like to join the mills of Oregon and Washington in their plan for cooperation in exports.



EXPORT ENDEAVOR works both ways. The French Publishers' Association has sent a representative to the United States who is to establish himself here and promote our consumption of French books. A congress of all the French industries connected with the production of books which was scheduled for October has presumably been held and plans may now be under way, with the assistance of the French government, to heighten the interest of the maligned but highly valued casual reader of all parts of the world in the handiwork of French authors and French publishing houses.



TWENTY-CENT COTTON, which at times in recent weeks has been a reality, restores a king to his throne. Perhaps King Cotton can never again rule in the South as he once held sway. He lost many attributes of royalty two years ago in the days of five-cent cotton. But the present price spells prosperity for a great group of States, since even though the crop is small this year, it was produced at a low cost and thus represents a great margin of profit.

The South has not waited for twenty-cent cotton. Last year new industries along the lines of a southern railway represented investments of thirty-five million

dollars, and extensions of other plants had a value of sixteen million. The South has been filching away some of the farmers of the Middle West. The same railway records that in the year half the sales of agricultural lands contributory to its lines were to buyers from the North and the West.



JAM, being a national institution in England, has been figuring in leading editorials. The orchards hung full of plums this autumn and the housewives

THE NATION'S BUSINESS
As Reflected in the Month's News

French After Our Book Trade

Cotton Again on The Throne

Plums, Jam, Sugar—and War

\$12 Boots—Yes, It's The War

Man-Power Takes The Spot-Light

What Goes Into a Loaf of Bread.

looked upon them with indignation in their hearts; for acting under orders of a government commission the green grocer at the corner would not sell sugar for preserves. It seems, though, that manufacturers of preserves and confectioners got all the sugar they wanted. Accordingly, the commission came in for some hard words, because while a housewife could not buy ten pounds of sugar for plum preserves she could buy a hundred pounds of it, if she liked, in sweets.



SHOES AND BOOTS play a large part in a soldier's efficiency, and they are supplied in corresponding quantities to armies. Toward the end of October, one million pair had to be furnished to the Russian armies. Before the end of November an equal number will go to Italian troops. By the end of December two and a half million pair will be delivered to British soldiers. In three months the British government will probably require three thousand tons of shoulders and light bends of leather, and pretty nearly twenty-five million feet of upper leather including well along toward ten million of kip and pure Chrome. When one comes to reflect that the belligerents on the other side probably use up nearly as much shoe leather as their opponents, he is moved to wonder that the rest of the world is not barefoot.



MAN-POWER has not succumbed to horse-power, after all. In England the

question of man-power has become so important that committees are at work trying to coordinate man-power to mechanical equipment to the end that together they may attain their highest efficiency. One enthusiast in Parliament, observing that some of the troop ships are manned with crews of American negroes, wanted to fill the trenches with the colored folk of British possessions and release men who can build, man and officer ships to pursue their proper vocations.

In the United States we never had many delusions about man-power. For the present, and in the immediate future, lack of the amount of man-power needed by our industries is one of our very real problems.



BREAD comes in for a lot of attention these days, at home and abroad, among economists and politicians, and on the part of housewives and speculators. In England it lately became so habitual to denounce the shipowner, the middleman, the miller, and the baker as a series of extortionists, each of whom added to the cost of the loaf, that a little figuring resulted and, without necessary relation to the figuring, the government created a commission which is going to import all the wheat and flour for the United Kingdom.

The figuring went to show that at current prices and freight rates Canadian farmers were getting 91 per cent profit out of their wheat, steamships earned 20 per cent for carrying it across the Atlantic, millers made a profit of 10 per cent, but got it out of the by-products rather than the flour, and bakers had 20 per cent for their pains. Other figuring indicates that although the ocean-freight rate on wheat from the United States to Glasgow has been as high this year as 18s. a quarter of 480 pounds, it has dropped to 9s. and under, and steamers are going for grain cargoes to the River Plate instead of our Atlantic ports.

The commission was announced in the House of Commons on October 10 and began operations by buying half a million tons of Australian wheat, presumably to the considerable relief of the Australian government, which had bought the crop of Australian farmers. Incidentally, Australian authorities have been encouraging home industry by selling wheat for milling at a lower price when the flour is to be exported than when it is to be used locally. As a result, flour has gone into South Africa at lower prices than wheat, and South African millers have been wanting to know why their dumping statute is not enforced against their sister dominion.

The British commission, however, has more onerous duties to perform than merely to solve Australia's troubles.

The commission apparently has to accumulate reserve supplies of wheat against the future as well as provide current supplies at prices which will appease the public. Private enterprise in Europe seems to have been unwilling to invest capital in reserves with a possibility, near or remote, that large stocks of wheat might be unloosened by military operations. As a matter of fact, private capital could scarcely be expected to take over the 125,000,000 bushels England expects to get from India this year, especially with a knowledge that Russia has three full harvests, aggregating perhaps 300,000,000 bushels, to export if the Dardanelles are ever opened. The basis of complaints about prices in England appears in prices for vegetable food products; expressed as index numbers these prices were 66 in June, 1914, and 133 in September, 1916.

In the United States the best grade of wheat has sold around \$2.10 a bushel, cash, free on board at New York. Quotations on options in the Chicago market have added to the ranks of the literally *nouveaux riches*, and for the leading option have shown a decided tendency to work upward to two dollars. Back in the days of Napoleonic wars, the price of wheat in Europe got as high as \$4.80. Shortly after the Civil War we ourselves paid as much as \$2.85. Back in 1888 our most daring speculator put the leading option up to \$2.

Over the supply of wheat there has been a deal of ciphering, with results that are thoroughly satisfactory to no one. When the Department of Agriculture has tried its hand, someone has come forward to say he has better figures. After he has worked out a deficit of a hundred million bushels in the world supply, someone else recalls that in a total which is upwards of three billion this deficit through a relatively small error might easily become a surplus. This intervenor also wants to know if allowance has been made for recent rains in Argentina, which, having the seasons the other-way-round from us, will in a couple of months begin to harvest, and if account has been taken of Australia, which likewise has her summer in our winter, and which may from her old and new crops have 160,000,000 or so to export in 1917. All of this figuring and cross-examining of figures goes to prove to the layman that he is not going to be without bread but that he may have to pay pretty well for it, much as he is doing for milk and eggs.



"BUSINESS AND FINANCE" should feel puffed up. They used to lurk in somewhat obscure journals which appeared at the offices of the more scholarly business men. They wore clothes which were severely plain and almost never ventured into

polite society unless they assumed a disguise.

But times have changed. Business and Finance have their own special place in all the magazines and occupy posts of honor upon most of the parlor tables of the land. They appear arrayed in purple and fine linen in the company of short stories the authors of which are well known in college classrooms, essays of a highly esoteric sort, and disquisitions on art. If one may come straight to the point, Business and Finance are decidedly in vogue.

THE NATION'S BUSINESS As Reflected in the Month's News

Business Is Somebody, After All

No Home for Armor Plant Yet

Exports Again Break The Record

Express Companies Had a Good Year

Geography and Australian Trade

Our Fine Cattle Kick Up a Row

THE ARMOR-PLATE PLANT which some 150 cities have sought remains in abeyance. At least, the Navy Department has shown no outward signs of a decision about the city at which it will place the government's new twenty-million-dollar manufacturing enterprise. At the hearings which the Department held many of the witnesses discussed costs of manufacture. Naval officers have indicated that three elements will pretty nearly determine the question—cheap labor, cheap coal, and cheap transportation.



EXPORT VALUES maintain their high levels. England's exports in September had a value of \$215,000,000, or as high as before the war, but it is definitely reported that the quantity of exported goods is still much less than in July, 1914.

The value of our own exports in September went to \$512,000,000, again breaking the record. Just how the quantity of goods shipped compared with quantities in earlier months and earlier years our statistics do not indicate. That the quantity is greater perhaps everyone will agree, but how much greater cannot be stated. The present level of values merely indicates that the increase in quantities cannot have been so great as in values.



THE EXPRESS COMPANIES have obviously had a share in the increased volume of traffic. In the year that ended

with June the nine principal companies did a business of \$173,000,000. Out of this sum they paid the railways \$87,000,000, spent \$79,000,000 for other operating expenses, laid out a million and a half in taxes, and had left as operating income ten and a half million dollars. This result is five times better than the corresponding figure for 1914-1915.



BRITISH MERCHANTS will make haste in arranging direct representation in Australia and New Zealand, if they follow advice they are receiving. Americans may see fit to act upon such advice even though it is not tendered to them. Our Pacific ports lie within nineteen days' steaming of Australia, whereas Europe is forty or fifty days away.



OUR FINE CATTLE have kicked up a row as an item in our exports. The first consignment of shorthorn cattle has been sent to Argentine from the United States. Nine animals are said to have brought an average of \$1,041. Immediately afterward a consignment of British shorthorns sold for an average of \$1,722.

Breeders in the United Kingdom have fostered and developed the shorthorn, and have been providing the stock that has improved the herds of such countries as Argentina. The American Shorthorn Society apparently decided that our herds have reached a point in excellence where they can rival British herds. Unfortunately, however, one of the stockmen's papers in this connection talked about Britain's extremity being America's opportunity. As a result, a titled Englishman has been calling upon his fellow breeders of cattle to unite in a world-wide organization for the protection of the British shorthorn from any and all of his alien descendants.

Every situation has its pleasant incidents, and this is no exception. In August, North Americans acted as judges at a large cattle show in Argentina, and discharged their duties so well as to win praise from all hands. Incidentally, they awarded the championship among shorthorns to an Argentine-bred animal of British ancestry. Perhaps the ability of these gentlemen and a recognition of the misuses of rhetoric may yet avert a battle of the breeds, and let our exports of fine cattle take their chances wholly on their merits.



PARCEL POST STATISTICS usually read by numbers, which are relatively uninteresting. A rather decided difference of opinion between Sweden and England, however, resulted early in the year in Sweden stopping parcel mails passing between England and Russia. Since

July Sweden has been releasing these mails, and now their contents have been published, making more entertaining reading than mere counts of packages.

Cotton goods lead the list, with 9,800 parcels out of a lot of 22,000 on the way to Russia. Soap follows, with 2,300. Medical stores naturally bulk large, amounting to 2,000 parcels. Woolen cloth filled 1,400, and cotton thread made up 1,100. The other articles that got caught in this particular difficulty would in variety outfit a department store. There were shoe laces, rubber heels, shaving powder, beans, cheese, fish nets, fresh meat, oil cans, pies, canton flannel, etc., through the customary inventory of a "universal provider." Very clearly, the parcel post is no mean vehicle for international trade in Europe.



SUBSIDIES will create a national merchant marine, in the belief of some Argentinians. In September the president of Argentina presented to the Argentine congress a plan for putting Argentine vessels of more than 4,000 tons displacement in a reserve available in time of war. These vessels would receive a sum equivalent to \$8.40 for every one hundred miles they navigate, have \$4.82 a month for every Argentine-born sailor they carry in excess of thirty per cent of the crew, and get exemption from lighthouse and other dues at Argentine ports.

Argentina is very dependent upon its export trade. It has to get its crops and its meat to Europe. Argentinians are pretty unanimous in asking that something be done to bring ocean-freight rates on their products within reason. If the bill presented by the Argentine president does not become law, one of the other two measures before the Argentine congress may pass; these other bills have been said by their critics really to contemplate purchase by the government of particular vessels.



THE RAILWAY INVESTIGATION which is to begin at Washington on November 20, before a joint Congressional committee, may continue for two years. At any rate, the plans of the committee apparently contemplate such a course of events. When Congress meets, the committee will probably ask for an extension of time beyond January 8, 1917—the date set for its report in the joint resolution which started the investigation.

Points which the committee desires witnesses to discuss have been sent to State railway commissioners, commercial organizations, bankers' associations, agricultural societies, representatives of railways and of railway employees, and to forty economists and publicists.

About the middle of November the Association of Railway Commissioners—which includes in its membership both the Interstate Commerce Commissioners and the State commissioners of the country—will hold its annual meeting and presumably devote a good share of its debates to the questions that will come before the Congressional committee. Some of the State commissioners will scarcely fail to challenge any proposal for placing regulation of railways solely in Federal control.

THE NATION'S BUSINESS As Reflected in the Month's News

Romance In Parcel Post Figures

Subsidies and a Merchant Marine

To Investigate The Railways

No Small Job to Value a Railroad

Courting The Humble Freight Car

RAILROAD VALUATION inspires mingled respect and dismay. When the Interstate Commerce Commission made public on October 23 the first of the valuations it is making of the physical properties of railways, it did not present a slip of paper for one's vest pocket, but an encyclopedic affair which in size and complexity should gladden the heart of any engineer. By the same token, it may fill with dismay the heart of any stockholder who has expected to ascertain at a glance the exact value of his block of shares.

To be sure, the valuations of the Atlanta, Birmingham and Atlantic R. R. and the Texas Midland R. R., which are the ones in point, start off very well with a statement of the cost of reproducing the road and the equipment and the cost of reproduction less depreciation, with statements of these costs by States so far as the items are divisible. The present value of lands comes in for a separate estimate. As will probably be announced for many a road, the original costs cannot now be ascertained.

These statements have been sent to the governors of the States in which the lines lie, the public service commissioners of the States in question, the railroads, and the Attorney General of the United States. Protests against the Commission's tentative findings may be filed within thirty days.

The statements, however, are only a cursory introduction. A summary follows in three parts, one of which has twenty-eight subdivisions. The real report of

the valuation has eighteen chapters which deal with subjects as diverse as geology and climate on one hand, and history of financing, results of corporate operations, and investments in leased property on the other. On the whole, these valuations are calculated to remind one of the complex and manifold elements which contribute toward the impression of unity we get when we think of any of the railroad lines that serve us with transportation.



FREIGHT CARS are scarcely things of beauty, but they are sought after the length and breadth of the country. In fact, right now a nation is doing homage to freight cars. Makers of beet sugar, lumbermen, millers, coal miners—everybody who has goods to send to market offers up very humble thanks whenever an empty car comes his way.

The statistics are so clear that he who runs may read. On October 1 there were sixty-one thousand too few cars to go around. At the end of October the shortage had probably mounted to ninety thousand, and possibly more.

The Interstate Commerce Commission has not been idle. As early as August 10 it began to exhort shippers and railways to cooperate in getting the utmost service possible out of every car. One of the commissioners has just had a conference at Louisville with representatives of the Southern railways. One of the questions he submitted in advance asked the degree of cooperation shippers have been manifesting.

This question of cooperation on the part of shippers and receivers of freight came out also when two of the Commission's inspectors reported upon conditions they had found in Nebraska. They declared that a large number of cars of all kinds are made to serve as warehouses by receivers who apparently see a profit in paying demurrage charges. Sometimes, too, receivers have difficulty in getting labor to unload the cars. Receivers of automobiles and of builders' supplies are the greatest offenders. In one instance, twenty-seven cars of automobiles remained unloaded for thirty days.

There is some comfort in the situation, for we have probably passed the period of maximum shortage of cars. The date of the "peak" of the demand has in earlier years never been later than November 10. After that date empties should become an increasingly common sight on loading tracks.



SHIPBUILDING RETURNS are pretty difficult things to visualize in ships. The American statistics include vessels ordered, but not yet in process of construction. British returns on the other

hand include only vessels toward the construction of which something has been done; yet, it is known that some of these vessels are not at the moment making any progress in British yards.

Taking the figures for what they are worth, one discovers 417 steel merchant vessels in the hands of shipbuilders in the United States and 469 in the United Kingdom. If one considers districts he finds that the Delaware river leads, with 90 steamships, the British Newcastle and Glasgow yards follow with 77 and 74 steamers respectively, our Great Lakes come third with 69, Greenock, Scotland, has 57, and our Chesapeake Bay, San Francisco Bay and Puget Sound and Columbia rivers (41, 35, and 32 steamships respectively) are ahead of Belfast, Ireland, in numbers, but do not match the tonnage of Belfast's 26 ships—281,000 gross. In fact, the vessels in British yards average larger than those in our yards—3,600 gross tons in the one case and 3,400 in the other—and the 26 vessels under construction at Belfast average better than 10,000 gross tons each.



SHOES are to a certain extent the successors of clogs, and accordingly there have been some queries in London why in these times many Londoners should not revert to clogs. The idea has not caught popular fancy in London, but it may succeed better in other parts of England.

The eighteenth century was the era of clogs. The more refined sort had a thin wooden sole cut crosswise into two pieces which were kept together by a hinge. Their predecessors had been pattens,—constructed with a wooden sole beneath which was an iron ring to raise the wearer out of the mud. Such contrivances made so much racket that churches posted notices requesting worshippers to leave their pattens outside the door.

Clogs have never become wholly obsolete in England. Until recently men in Lancashire mills wore them except at the week end, when they assumed their "Sunday" boots; in the last few years they have had "every-day" boots as well. A few conservatives in Lancashire will have nothing to do with "boots" and get wonderful effects out of clogs upholstered in ornamental black leather, and illuminated not only with bands of brass nails around the soles but with as many as fifty-six brass-bound lace holes to a clog. All this glory is to be had at \$1.75 or \$2.00 a pair, and the trouble of polishing.



GOVERNMENT JOBS filled through civil-service examinations make the United States out as an employer of highly

diversified tastes. Lace-makers, steam engineers, fish culturists, petroleum technologists, explosives chemists, bacteriologists, well drillers, cooks, patent examiners, bridge engineers, medical internes, automobile mechanics, ordnance inspectors, forest rangers, pilots, grain inspectors, tugmasters, and copperplaters are merely a few of the varieties of folk the government has sought in the last month.

Compensation takes as great a range as jobs. A petroleum technologist may draw \$3,000 a year. A copperplater is expected to feel lucky and patriotic for

THE NATION'S BUSINESS As Reflected in the Month's News

Where The Ships are Being Built

Have You Bought Your Winter Clogs?

The Versatile Government Job

Coal Wanted, Dead or Alive!

A Twelve Billion Dollar Industry

\$60 a month. An automobile expert who has had at least five years' experience may have \$2,400 a year, but a man who has four years of experience in steam engineering may have to begin at \$900.

The government job most aristocratic in point of salary among those recently tendered to the public at large pays \$12.48 a day, or \$300 a month. To get a chance at the place, however, a man has to have a degree as mechanical or electrical engineer, and ten years of experience to boot—not ordinary experience, either, but experience with responsible charge of designing, installing, and operating central power plants and distribution systems for light, heat, and power. As if that were not enough, the specifications require successful executive experience in handling employees in large numbers, and add something about radio apparatus. Some possible candidates who have lived through the experience and success stipulated for this post may wonder what the government expects for its money, anyhow.



COAL makes the industrial world go round. To perform this function it was never more needed. At the same time it was never harder to get east of the Ohio-Indiana line. Coal is correspondingly precious. A mining company of standing recently telegraphed one of its agents of equal standing that it could let him have a few cars of anthracite if he attached a certified check to his order!

Bituminous coal is the sort, however, that is most lacking. In the face of an unprecedented demand mine owners report difficulties with their miners and in many instances an utter impossibility of getting cars. Persons inclined to facetiousness see considerable chance that cars will be forthcoming if the Interstate Commerce Commission can find a way; for it is human, argue these individuals, for seven gentlemen to be of one mind about the supply of coal cars after they have several times climbed eleven flights of stairs to get to their hearing room. Either by accident or by premeditation on the part of some clever person, difficulties of the industrial world in getting coal first appeared in Washington when the elevators in the Commission's office building stopped because there was no fuel.

Prices are calculated to make buyers of coal very respectful. For eight dollars they may get a ton of anthracite from a condescending mine, paying freight in addition. If they want smokeless they may pay around five dollars at the mines. In at least one instance a user of coal in central New York has gone to Illinois and bought screenings at a price which meant a cost of six dollars a ton when this coal is delivered. In August blast furnaces bought Connellsville coke for \$2.50 a ton; lately they have paid \$8.

In times of such stress and strain the railroads quite naturally have their own fallings-out. One of the roads which none of the others will call angelic refuses to allow any of its coal cars to go to the lines of four other roads, alleging that these roads have in effect been stealing its equipment. Another road refuses to let any of its coal cars go west of Chicago, with a result that coal going to Western cities from mines along this road has to be unloaded and reloaded in Chicago.

Altogether, pretty nearly every one is sure to get a case of nerves out of the coal situation. The coal trade itself says that it has seen nothing like the present condition of famine since 1902 and that whereas there was then lack of anthracite there is lack now of every kind of coal.



THE ELECTRICAL INDUSTRIES of the United States, in statistics of the "Electrical World", represent an investment of twelve billion dollars, or rather more than half of the investment in railroads. This figure, of course, covers stations, railways, telephones, telegraphs, manufacturers and jobbers, whereas the railroad figures omit manufacturers of equipment and the like. Other statistics for the electrical industries are impressive. Over a million men are employed, and gross annual earnings aggregate 2,324 million dollars.

The Commercial Club Militant

An Account of How Three (of the Many) Rattled the Dry Bones Last Month Building Up a Lively Civic Spirit and Incidentally Their Own Membership

WHEN the story of the Thousand and One Nights of modern business is written, the clever Scheherazade will devote not one but two and a dozen nights in telling of the Aladdin-like achievements of American business organizations. (This is more important than would appear at first blush; the achievements of the commercial club most always measure the achievements of the community, for civic administrations seldom move forward until they hear plainly the voice of the men of the city.) The Scheherazade of the future will regale the Caliph with the wonderful tale of the San Francisco Chamber of Commerce which within a week last month added 5,000 new members to its membership of 2,500, giving it an annual income from dues of more than \$300,000.

There is, as usual, a prosaic explanation of how this remarkable result was attained and there is also (as there usually is) another story, far more interesting, which is the real explanation.

On the surface, then, there appears to be nothing remarkable in the experience of the San Francisco Chamber. The membership committee was increased to 700, a trained expert was secured to organize the campaign, and there was a systematic and well-ordered canvass,—with the result above noted.

That is the plain tale. But we are looking for the magic by which these 5,000 members were induced to become members; we are looking for traces of Aladdin and his lamp.

Robert Newton Lynch, Vice-President and Manager of the organization which has established such a record should be able to explain how the thing was done. We quote him:

"The business men of San Francisco made haste to join the Chamber of Commerce," says Mr. Lynch, "because it is a body which is actually solving problems which are vital to the life and development of the city. The business community was anxious to back an informed and courageous organization.

"As an illustration, take the series of strikes on the water front of San Francisco. The stevedores' organization broke its contract, made arbitrary demands, sought to enforce a secondary boycott, started a reign of violence, and effectively tied up the port of the city. The Chamber announced immediately that it stood for law and order, scrupulous discharge of contractual obligations on the part of employers and employees, and the open shop.

"The Chamber did not go into the fight without knowing just what it was doing nor with a half-hearted determination to accomplish its purpose, because it is its policy not to act until it has fairly complete information, nor engage in any undertaking unless it is willing to see it through to the end. Nor does it evade any vital question because it is political in character or likely to become the subject of controversy.

"When, then, the Chamber decided to take a hand in the strike, it went about the matter in its characteristically thorough fashion: it raised a million dollars from its members, and assured the community that lawless tyranny would no longer be tolerated in San Francisco. The community as a whole applauded the action of the Chamber. Violence ceased. The throwing of a bomb in the streets during the preparedness parade, killing nearly a dozen people, was the culminating outrage which aroused the city to the task of maintaining a law-abiding community.



Robert Newton Lynch

"Our board of directors definitely pledged the organization to meet fairly any problem which our industrial survey demonstrated to be hampering our industrial growth. In this connection, whether deserved or not, San Francisco has had a nation-wide reputation of subservience to labor tyranny, involving picketing, violence and intimidation. Tyranny and violence have gone unre-

buked by the community as a whole, and successive city administrations have been in sympathy with a certain type of labor leadership. The programme of the Chamber included a frank facing of that situation.

"Following its practice of acting only after obtaining full information, the Chamber has been committed to a searching and scientific investigation of the facts bearing on the interests of the community. To get at the truth of the industrial situation, for instance, \$50,000 was raised. Then a close investigation of the schools of the city was undertaken. There are, besides, other features of civic life which call for inquiry. Now, the following of this programme is leading us to an understanding of the characteristics of our city which will be the basis of intelligent action."

Without attempting, at this distance, to determine the merits of the controversies which have agitated San Francisco, it appears that its Chamber of Commerce has won the approval of the business men through its willingness to meet an issue of the hour fearlessly. That, it seems, is the moral of the tale.

COMES forward now a man from Kenosha, Wisconsin, saying: "This is, indeed, a pleasant tale, but I will tell you one more wonderful, the story of a town which, neglecting its ordinary affairs for three days, started a chamber of commerce with a membership numbering four and a half per cent of the population of the town."

San Francisco, the story of which you have just heard, with a population of more than 400,000 increased the membership of its Chamber by 5,000, less than one and a quarter per cent of the population; Kenosha, with a population of 23,000, in a three-day campaign, secured 1,041 new members for its Chamber of Commerce.

For years the business men's organization was barely able to exist and pay a secretary a low salary to gather credit data. Interest in municipal affairs and business building programmes at low ebb. There were no playgrounds, no parks, no municipal golf links, no tennis courts, no baseball grounds. The members of the city council failed to back measures for the city's good, either because they weren't interested in the movements, or, if interested, they were afraid to do anything because they were not sure of the support of the men of the city.

Then on June 14, 1916, a group of twenty men, manufacturers, merchants, lawyers and doctors, held a meeting to see what could be done about it. A. H. Melville, chief of the Bureau of Civic, Commercial and Community Development, was called from the University of Wisconsin to give expert advice. The result was a determination to reorganize

and consolidate the various business organizations of the city.

Now followed a campaign the like of which has not been seen in many cities. The first agency enlisted, of course, was the press, a ten-day publicity campaign being carried on to show the people the value of a chamber of commerce. There were testimonials from prominent citizens and essays by school children. The ministers of the city preached on civic betterment and the place of the chamber of commerce in the civic and commercial life of a town. Every man was urged to talk chamber of commerce to his friends everywhere and on all occasions. The women's clubs, too, were active.

The campaign opened Monday morning, October 16 and closed at noon October 18. Contrary to custom, it was decided not to give out groups of selected names, but to let each division determine its own plan of campaign. Of course, in some cases the same man was called on four or five times, something that wouldn't have happened if a professional had been called in and placed in charge of the campaign, but the local plan had its advantages in that nobody in the town could plead ignorance of the movement.

WONDERFUL, indeed are the tales of San Francisco and Kenosha," says the man from Fredericksburg, Virginia, "but listen to the story of this Virginia town:

"Fredericksburg has a population of 6,000. Its Chamber of Commerce, an old organization, needed an infusion of new blood, and a campaign for membership was, therefore, decided upon. Unlike Kenosha, where the canvass was planned and carried on by local people, the Fredericksburg campaign was placed in the hands of professionals.

"The 'round-up' shows some remarkable results. In the first place, in this town of 6,000 people, 301 memberships were secured, representing five per cent. of the total population. In the second place, these memberships call for annual dues of \$25 a year each, giving the

Chamber a revenue of \$7,525 a year, or \$1.25 for each person in the community. As these memberships are pledged for a period of three years, the Chamber is assured of revenue to the amount of \$22,575."

These three incidents, taken at random from widely separated cities of different classes, show clearly that the American business man is alive to the importance of cooperation and organization, and that it needs only a leader in each community to effect a union of forces equipped to work for the common good.

National Chamber Directors Meet

With the news that the week of January 29 has been set for the Fifth Annual Meeting comes the announcement from the Board of Directors of the National Chamber, in session October 22 and 23, of the immediate inauguration of a new feature—a special meeting of the National Council in Washington Friday and Saturday, November 17 and 18. The main topic for discussion will be the railroad situation, inasmuch as the commission which has to do with all phases of railroad regulation and also regulation between railroad managers and employes begins its hearings at the Capital November 20. There will be four sessions at this special November meeting of the Council, so timed that those in attendance may leave the city by one o'clock on Saturday afternoon.

The Board of Directors also ordered a referendum on the proposal for amendment of the Federal Constitution to permit the President to veto items or provisions in appropriation bills.

The Committee on Railroad Regulation and the Committee on the Railroad Situation were amalgamated into a new committee, the Committee on Railroads, and at the same time special committees on Highways, Daylight Saving, and Social and Industrial Insurance were provided for, the last named to have a year in which to consider and investigate the questions involved in social and industrial insurance.

The growth of the National Chamber is shown by the fact that the Board of Directors at its meeting approved the election to membership of nine organizations, which brings the organization membership up to 825, representing an underlying membership of 372,729 corporations, firms and individuals in every state in the Union, the District of Columbia, Hawaii, Porto Rico, the Philippines, Alaska and including American commercial organizations in Paris, Berlin, Milan, Naples, Constantinople, Shanghai, Rio de Janeiro and Buenos Aires. Two hundred and fifty-six corporations, firms and individuals were also elected at this meeting, bringing the total individual membership up to 4,524.

Pertinent Reactions From Our Readers

To the Editor: Referring to your series "If I were a Yankee Merchant" may I add a modest contribution?

The great productive capacity of the United States, had an extraordinary increase in the last few years due to unparalleled commercial opportunity. How long will this opportunity last?

South America furnishes a wide field for the expansion of the commerce of the United States, but it is not enough to have the field—it is necessary to know how to cultivate it.

South America has generally received from Europe the financial support for building up her business. The local commerce—I refer especially to Chile—rests upon the basis of long term credit, a system to which the merchants became accustomed through their relations with England, who was the first nation to conquer a prominent commercial position in South America.

Germany saw that the reason for the English commercial position was in the facilities offered by long term credit, and came into the market offering still greater facilities. In a short time, she increased her commerce by this means, and in 1914, when the European war began, Germany had introduced into Chile during the first six months \$70,000,000 (Chilean Gold), or 26% of the total importation of Chile, while England had introduced only \$61,000,000, or 22%.

After the declaration of war, South American merchants found themselves unable to obtain sufficient European products, and tried to acquire those products from the United States; but the commercial system of the United States was different and if the American manufacturers insist on maintaining their system, Pan American trade may have a transitory character, and the war, once ended, the South American merchants will return to the European manufacturers for their better credit facilities.

Personally, I believe that business men of the United States will not let this opportunity pass away, which once gone will not return.

CARLOS CASTRO RUIZ,
Consul General of Chile in the United States
New York City

STATEMENT REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912, OF THE NATION'S BUSINESS, published monthly at Washington, D. C., for October 1, 1916.

Washington, D. C.: Before me, a Notary Public in and for the State and county aforesaid, personally appeared D. A. Skinner, who having been duly sworn according to law, deposes and says that he is Assistant Secretary of the Chamber of Commerce of the United States of America, Publisher of THE NATION'S BUSINESS, and that the following is to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in Section 442, Postal Laws and Regulations, printed on the reverse of this form to wit: 1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher—Chamber of Commerce of U. S. A., Washington, D. C. Editor—Merle Thorpe, Washington, D. C. Managing Editor and Business Manager, none. 2. That the owners are: Chamber of Commerce of the United States of America, Washington, D. C. Said body being an incorporated organization under the laws of the District of Columbia, its activities being governed by a Board of Directors, the officers and members of which are as set forth in Exhibit A, attached herewith. 3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

D. A. SKINNER,
Assistant Secretary,
Chamber of Commerce, U.S.A.

Sworn to and subscribed before me this Fifth day of October, 1916.

KATHERINE V. BOSWELL.
(My commission expires Jan. 3, 1918).

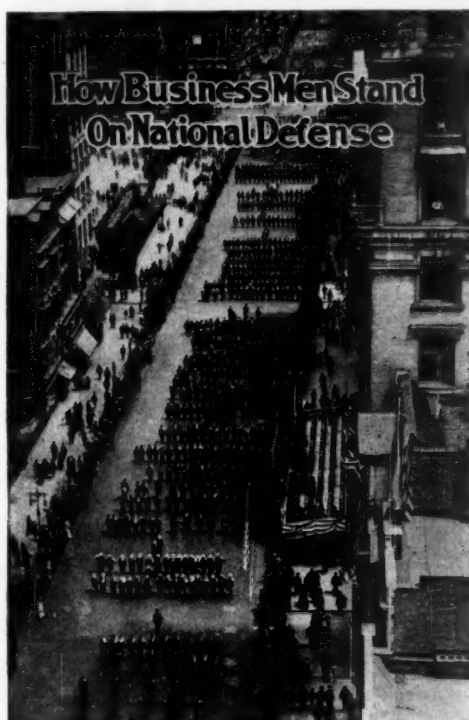
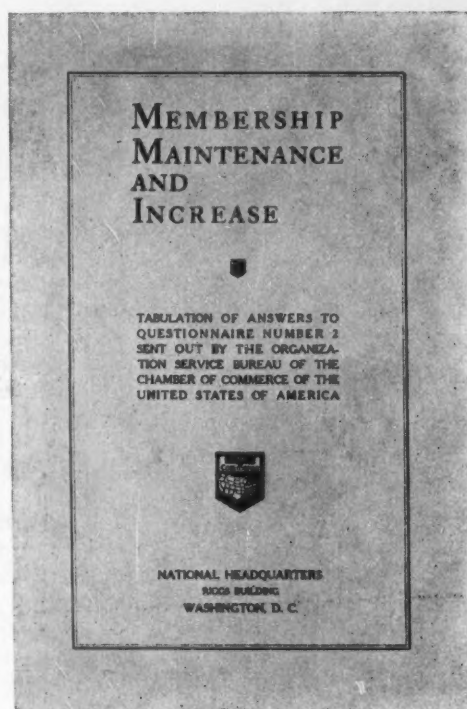
A SPECIAL MEETING OF THE NATIONAL COUNCIL OF THE

*Chamber of Commerce of the
United States*

will be held at the New Willard Hotel in Washington on November 17 and 18, 1916. There will be four business sessions, and prominent speakers will address the gathering.

A COMMERCIAL CLUB EXPERIENCE MEETING

THAT'S what it amounts to—this booklet containing the result of five months of commercial organization research. Intensive study it was, of the American chamber of commerce, with special reference to its strength and sources of strength. Nothing like this has hitherto been compiled. Three thousand "experiences" are covered in the fifty-two pages, including "experiences" with membership committees, paid solicitors, membership campaigns, term and continuing memberships; "experiences" in arousing interest in the organization's work, engaging speakers, preparation of programs of activities, house organs and periodicals, and how the increase or reduction of dues affects membership and income. This booklet was



sent to the commercial organization members of the National Chamber. If any secretary did not receive it, he should let us know. While they last, a copy will be sent upon request to any individual member, or organization secretary, interested in this work.

BUSINESS MARCHES

Almost one hundred per cent for preparedness. How business men stand on national defense, with special reference to what place they think universal military training has in a democracy, is set forth in a booklet issued by the National Chamber. A single copy will be sent free, or copies will be furnished in bulk at the rate of three dollars a hundred.

CHAMBER OF COMMERCE OF THE UNITED STATES



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